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Hunger Striker Buried by IRA; Protests Continue

GALBALLY, Northern Ireland — Three masked Irish Republican Army men fired shots from hand-guns over the grave of a hunger striker Wednesday in a protest against the British Army. More than 5,000 people who had picked out the churchyard for the funeral cheered wildly as the British Army helicopters hovered low above the cemetery but troops made no move to interfere. The Irish Times, meanwhile, reported that Irish Premier Garret FitzGerald asked the Irish Embassy in Washington to seek President Reagan's personal intervention with the British government in the hunger strike protest in Northern Ireland. A White House spokesman said that although Mr. Reagan visited the embassy Tuesday, he knew of no such request having been made to the president. Martin Hurson, who died Monday in the 45th day of his fast at Belfast's Maze prison, was buried in the churchyard of this tiny farming hamlet following a Roman Catholic Mass. He had been serving a 20-year sentence for bombing and conspiring to kill soldiers. Violence continues. Hooded men in IRA military dress uniforms escorted the coffin along the 2-mile (3-kilometer) route over rural lanes from the Hurson farm. The coffin was draped in the Irish Republic flag and bore Mr. Hurson's beret, clothes and belt. Hundreds of women lining the route knelt and crossed themselves as the cortege passed. The funeral was held amid continuing violence in the province. Protesters hurling gasoline bombs attacked two police stations in Belfast and police fired plastic bullets to disperse both crowds. A police spokesman said Catholic rioters threw more than 300 gasoline bombs and homemade hand grenades at security forces in street battles. A bomb also exploded in the kitchen area of the Wellington Park Hotel in Belfast, starting a fire and injuring two persons, police said. A spokesman said that bombers posing as deliverymen carried the device into the popular hotel in the south-central section of the city. In the Irish Republic, 200 pro-IRA demonstrators, carrying two empty coffins, blocked the entrance to Shannon International Airport for nearly an hour, police said. Startled passengers watched as the demonstrators marched a half-mile to the air terminal building, and dumped the coffins outside the office of state-owned British Airways as a protest. (Continued on Page 2, Col. 4)



United Press International



The Associated Press

Polish Party Urged To Keep Reforms

WARSAW — Deputy Premier Mieczyslaw Rakowski warned delegates at Poland's extraordinary Communist Party congress Wednesday that any reversal of the liberal reforms of the last 12 months would lead to a bloodbath. He issued the warning after the 1,955 delegates decided to hold an unprecedented secret ballot for the party leadership in a major departure from orthodox Soviet Communism. Mr. Rakowski, a liberal journalist and the government's chief negotiator with the Solidarity trade union, hit out at opponents of reform who, he said, still held positions of power. "The alternative to the line of renewal is a conflict between the authorities and the mass of the population, a bloodbath. This would mean the end of Poland," Mr. Rakowski said. "Not only the future of the Polish people but the future of peace and progress in Europe is in our hands," he said. Small in Number Mr. Rakowski has been mentioned as one of possibly seven candidates for the party leadership in a secret ballot decided on by the delegates on Wednesday. The deputy premier, while repeating warnings against radicals in Solidarity, said conservative hard-liners clung to strategic positions in the party even though they were small in number. Mr. Rakowski said the conservatives had paralyzed the party. He added that Poland's Communist rulers had made the situation worse in the past 12 months by failing to take the initiative. Mr. Rakowski said Polish Communists must stop fearing innovation. "These ideas will not lead us to anarchy and conflict," he said. "Poland, now seen as the sick man could then become one of the great hopes for Socialism." The congress ended its first two days of public debate Wednesday night and began considering candidates for high office behind closed doors. After a day of committee work Thursday, the congress will reconvene for a full session on Friday. Mr. Rakowski said the Polish crisis was damaging the interests of the Soviet Union and its allies because it was being exploited to discredit Communism. (Continued on Page 2, Col. 1)

Kremlin Seems to Signal Dislike for Polish Meeting

MOSCOW — In its first reaction to the Polish Communist Party congress, the Kremlin has broken with several traditions in an apparently calculated effort to keep its distance from the proceedings in Warsaw. The most official signal of this frosty attitude was the absence of a routine greeting from the Soviet Central Committee to the Polish party. Such messages are invariably featured on the front page of Pravda on the day an allied Communist Party opens its congress. For television viewers, the chill was evident when the customary hugs and kisses were replaced by businesslike handshakes when the Soviet delegation arrived in Warsaw. Another puzzling departure was seen by East European observers in the use of quotation marks by Tass when describing Polish leader Stanislaw Kania's speech. Tass said Mr. Kania addressed the congress with a "program report of the Politburo of the [Polish Communist Party] Central Committee." Adding to Puzzle Normally quotation marks are not used in this context, and they were not used by the Soviet press when an identical formulation described Mr. Kania's address to the congress last February. The use of quotation marks was seen as possible in previous statements. After some basic questions are answered, he said, these talks "can become again a dynamic process that will promote greater security in the U.S.-Soviet relationship." But as officials acknowledged, the basic questions about which Mr. Haig spoke are the very questions that still prevent the administration from developing a new approach to the negotiations on limitation of strategic arms. These include such matters as what can and cannot be verified, what weapons systems should be included within an agreement and how the different Soviet and U.S. arsenals can be compared. Officials in several departments said it had been only in the last week or so that administration experts managed to reach agreement on what they should be studying about the Strategic Arms Limitation Talks, let alone what the answers should be. The delay is a reflection of the continuing power of the group in the administration that opposes arms control. This group, led by Richard N. Perle, assistant secretary of defense for security affairs, contends that the talks with the Russians should be delayed as long as possible until after the administration's new strategic weapons programs are well under way. Even then, they say, the talks should begin only after Moscow shows restraint in its international behavior. In his speech, Mr. Haig still leaned toward this group. He was careful to emphasize their concerns even as he tried to meet the pressures from Atlantic allies for a clearer statement of interest and intent on arms control. Linkage Principle Thus, as it was explained by State Department officials, the principles that Mr. Haig said should guide future arms control negotiations are unlikely to be altogether welcome in Western Europe. The emphasis is still clearly on buying weapons first and worrying about arms control implications later. A number of the North Atlantic Treaty Organization allies are more likely to worry about both aspects together, for fear that otherwise the negotiations will simply legitimize the arms deployments. The principle of linking progress in arms control to Soviet behavior is stated strongly. While many Europeans tend to see arms control as an inducement for good Soviet behavior, Mr. Haig and his colleagues still regard it as a reward after the fact.

1-Year Rise Noted in British Racial Friction

LONDON — A government commission charged Wednesday that there had been a rising trend in incidents of racial harassment and violence in the past year. The report was issued after the second consecutive night of virtual calm in England's riot-damaged neighborhoods. In releasing the annual report of the Commission for Racial Equality, David Lane, the group's chairman, observed that the document, which was completed before the recent riots, was being issued at a time of unprecedented urban turmoil. While he asserted that the causes of the recent violence are mostly not racial, Mr. Lane urged that there be forthright statements by the prime minister, the home secretary and the Cabinet ministers that good race relations are among the highest objectives of the government and that increased racial attacks by extremist groups on blacks will be stamped out. Meanwhile, government and police officials were concerned Wednesday with the search for new equipment and tactics with which to confront any new outbreak of looting or arson. William Whitelaw, the home secretary, told the House of Commons that plastic bullets and tear gas would be made available to special squads of policemen if police commanders thought that the use of such weapons was warranted. He also said that Rolleston Army Camp, 100 miles (160 kilometers) southwest of London, would be made available to house those convicted of riot offenses, thus relieving pressure on already overcrowded prisons. Discrimination in Employment The Commission for Racial Equality, which was established by the Home Office to monitor progress in race relations and investigate charges of discrimination, declared in its report that as the economic recession worsened and unemployment rose higher, the ethnic minorities were particularly affected. There is now evidence that discrimination in employment, far from being eliminated, was actually increasing in some areas, and it is clear that many whites still do not accept blacks, even young blacks who were born here, as members of the community in the same way as themselves, the report said. The commissioners, who include whites, blacks and people of Asian descent, laid blame on the government for failing to face up to the full seriousness of the situation. The degree to which race was a factor in the recent rioting is a matter of continuing debate and discussion. In some cases such as the outbreak at Southall, where immigrants from the Indian subcontinent battled swastika-tattooed and admittedly xenophobic skinheads, race seemed to be the key issue. In Liverpool, poor blacks and poor whites took part in multiracial looting, and in other areas black anger seemed to be directed not at white neighbors but at police. As violent incidents abated, tension and anxiety still lingered and Mr. Whitelaw banned all marches in Plymouth for 30 days after municipal leaders expressed fears that rallies by the rightist and militant National Front and the Anti-Nazi League scheduled for Saturday could prove incendiary. Meanwhile, ranking police officials from (Continued on Page 2, Col. 1)

INSIDE Vietnam Shadows

Buried in the history of Washington-Peking relations is a hidden chapter of the U.S. war in Vietnam; that of U.S.-Chinese clashes. Insights, Page 6.

U.S. and Japan

Admitting to concern over the upsets in Japanese-American relations, U.S. Ambassador Mansfield says that he now believes the relationship is "over the hump." Page 5.

TOMORROW Focus on Kuwait

Kuwait's oil wealth has led to progress, but its planners are already looking toward a time when the oil runs out. A special supplement will appear in Friday's IHT.

CIA Director Figures In Investors' Lawsuit

By Paul L. Montgomery NEW YORK — William J. Casey, director of the U.S. Central Intelligence Agency, knowingly participated, with several others in a 1969 investment offering for a farming company that omitted and misrepresented facts to investors, according to a federal court decision handed down in May. One of Mr. Casey's lawyers, Arnold S. Jacobs, said Tuesday that his client is "taking the position that he did not violate the federal securities law." He called Mr. Casey a passive investor who was not directly involved in the management of the company. "He lost a lot of money in the company, virtually all of his investment," Mr. Jacobs said. Has Reagan's Confidence Through a CIA spokesman, Mr. Casey said he had no comment on the case. [Larry Speakes, a White House spokesman, said Wednesday that President Reagan told top aides he retained full confidence in Mr. Casey, the Associated Press reported. Mr. Speakes said he did not know when the president found out about the judge's ruling. [Mr. Speakes said these matters came up as far back as 1973. "They've been the subject of at least one and possibly two Senate hearings. They were part of what we knew when Mr. Casey was appointed to the directorship of the CIA," he added, according to the AP.] Mr. Casey's involvement with Multiponics and the subsequent lawsuit came up in 1973 in Senate confirmation hearings on his appointment as undersecretary of defense for economic affairs. Mr. Casey, then chairman of the Securities and Exchange Commission, said, "It's a question of a business decision." Jacob K. Javits, then a Republican senator from New York, said later he was satisfied Mr. Casey had done nothing wrong. The kind of suit in which Mr. Casey is a defendant is common against officers of a bankrupt company. "This is your garden-variety lawsuit. This is your business-lawyer man who has handled similar cases as a Washington lawyer. Multiponics, incorporated in 1968, consisted of 43,000 acres of soybean, rice, cotton and corn land in four Southern states. Among the other founders were Stanley E. Burkley of Natchez, Miss.; N. Leslie Carpenter, a Natchez banker; Alfred J. Moran, a New Orleans industrialist; Lawrence F. Orbe 3d, a New Orleans banker; and James H. Swinny, a Natchez businessman. All are defendants. The company made a private investment offering of 25,000 units. In 1969 and again in 1970, the company registered a public offering of stock with the Securities and Exchange Commission, which Mr. Casey then headed, but the offering was never actually made and the company became insolvent. It is the difference between the language of the private offering and the proposed public offering that forms much of the dispute in the lawsuit brought by investors in the original 35,000 units. According to Judge Stewart's ruling, there were several important omissions or misstatements in the private offering, later corrected in the public offering. The private offering implied that seven farms were operating and profitable, but the later statement admitted that two farms were not operating at the time they were acquired, two were only being shopped and a fifth was operating at a loss. Mr. Casey, according to the court papers, was part-owner of three of the seven farms when they were sold to Multiponics, and he received Multiponics securities in exchange. According to the records, he invested \$145,614 in the land, the largest single investment among the founders, and Multiponics assumed \$301,000 in mortgages while issuing him 65,973 shares of stock. The first interviews concerning Mr. Hugel were conducted by the CIA's Office of Security beginning Jan. 14 — just one week before he started work at the agency — and the last were completed on Jan. 16. The records indicate that Mr. Hugel had been "cleared" at some CIA echelons on Jan. 19 and was given final approval by the Office of Security, pending some overseas checks, on Jan. 21. Some of the interviews, including a series in the New York area that contained just a whisper of criticism, were not put together and synopsized until March 6, several weeks after Mr. Hugel had been given his first promotion, to deputy director for administration. Under a long-standing directive from the director of central intelligence, last updated in 1976, any-

CIA Probe of Deputy Missed 'Blackmail'

By George Lardner Jr. WASHINGTON — The Central Intelligence Agency has a reputation for making the strictest security checks in the U.S. intelligence community, but its investigation of Max Hugel appears to have been a hurry-up, seven-day job that failed to sound even a mild alarm about his complex business career. Mr. Hugel, who held one of the CIA's most sensitive posts, was not particularly helpful himself. His dealings with two Wall Street brokers in the early 1970s involved what Mr. Hugel described as attempted "blackmail," but he said he saw no need to report this or other details of the acrimonious relationship when he joined the agency earlier this year. The CIA's investigation posed a sharp contrast to the measured pace outlined in an official description of the agency's standard procedure, and criticism from members of the Senate Intelligence Committee late Tuesday indicated that the Hugel matter could cause problems for the Reagan administration. As deputy director for operations, the post he resigned Tuesday, Mr. Hugel had access to the government's top secrets and directed the agency's global network of covert intelligence agents. Whispers The first interviews concerning Mr. Hugel were conducted by the CIA's Office of Security beginning Jan. 14 — just one week before he started work at the agency — and the last were completed on Jan. 16. The records indicate that Mr. Hugel had been "cleared" at some CIA echelons on Jan. 19 and was given final approval by the Office of Security, pending some overseas checks, on Jan. 21. Some of the interviews, including a series in the New York area that contained just a whisper of criticism, were not put together and synopsized until March 6, several weeks after Mr. Hugel had been given his first promotion, to deputy director for administration. Under a long-standing directive from the director of central intelligence, last updated in 1976, any-

NEWS ANALYSIS

process to satisfy the liberals while emphasizing the limitations on what arms control can be expected to achieve to please the conservatives. "We know where we're going," Mr. Reagan said last week, "and think it might be counterproductive to make a speech about it." Less than a week later, the president and his principal advisers approved Mr. Haig's speech, according to officials, amid mounting criticism that the administration has no foreign policy and a growing belief in Western Europe that the administration contemplates arms control only grudgingly. Criticism Felt Administration officials acknowledged that Mr. Haig and his colleagues felt these criticisms sharply enough to soften the tone of what they had to say about arms control. Past statements by Mr. Haig and others in the administration tended either to ignore arms control or relegate it to a position of unimportance, or to argue that arms control, along with detente with the Soviet Union, had lulled the American people into a false sense of security. State Department aides called particular attention to two areas where Mr. Haig clearly went a step beyond previous statements. His condemnation of the spread of nuclear weapons was the most sweeping yet by this administration. He was pointed in attacking those in the administration who were more concerned with the export of nuclear power plants and with the United States' being a reliable supplier of nuclear fuel than about the spread of atomic weapons. "No short-term gain in export revenue can be worth such risks," he said. Mr. Haig also took a more positive approach on talks with the Soviet Union about strategic arms

What Prompted Haig to Speak

than in previous statements. After some basic questions are answered, he said, these talks "can become again a dynamic process that will promote greater security in the U.S.-Soviet relationship." But as officials acknowledged, the basic questions about which Mr. Haig spoke are the very questions that still prevent the administration from developing a new approach to the negotiations on limitation of strategic arms. These include such matters as what can and cannot be verified, what weapons systems should be included within an agreement and how the different Soviet and U.S. arsenals can be compared. Officials in several departments said it had been only in the last week or so that administration experts managed to reach agreement on what they should be studying about the Strategic Arms Limitation Talks, let alone what the answers should be. The delay is a reflection of the continuing power of the group in the administration that opposes arms control. This group, led by Richard N. Perle, assistant secretary of defense for security affairs, contends that the talks with the Russians should be delayed as long as possible until after the administration's new strategic weapons programs are well under way. Even then, they say, the talks should begin only after Moscow shows restraint in its international behavior. In his speech, Mr. Haig still leaned toward this group. He was careful to emphasize their concerns even as he tried to meet the pressures from Atlantic allies for a clearer statement of interest and intent on arms control. Linkage Principle Thus, as it was explained by State Department officials, the principles that Mr. Haig said should guide future arms control negotiations are unlikely to be altogether welcome in Western Europe. The emphasis is still clearly on buying weapons first and worrying about arms control implications later. A number of the North Atlantic Treaty Organization allies are more likely to worry about both aspects together, for fear that otherwise the negotiations will simply legitimize the arms deployments. The principle of linking progress in arms control to Soviet behavior is stated strongly. While many Europeans tend to see arms control as an inducement for good Soviet behavior, Mr. Haig and his colleagues still regard it as a reward after the fact.



BEGIN TO SEEK COALITION — Prime Minister Menachem Begin prayed at the Western Wall in Jerusalem after he was invited by President Yitzhak Rabin to try to form the next Israeli government. Story, Page 2.

# Riots Reflect Deep-Seated Anger At Racism, Lack of Jobs in U.K.

By Steven Rantner  
New York Times Service

LONDON — Skyburn is 20 years old, was born in Ghana, and for the past six years has lived in Britain. A year ago, he was laid off from his job with a musical instrument firm. He now lives off unemployment payments of \$53 a week. And he is bitter — about the British government's economic policies that have led to rampant unemployment, about working-class whites known as "skinheads" who are often accused of violence against blacks, and perhaps most intensely about the police, who he believes practice wanton brutality.

"I've met all kinds of people from all different cultures, and the British are the most racist," maintained the soft-spoken youth, who lived for a time in Brooklyn, N.Y. "It's a disease they carry with them," he said as he stood in London's Wood Green district beside store windows boarded up to prevent looting.

Attitudes like those of Skyburn, who like many others in the riotous areas declined to give his surname, go a long way toward explaining the tensions that helped trigger Britain's urban violence. A trigger Britain's urban violence. A trigger Britain's urban violence. A trigger Britain's urban violence.

defy easy categorization, beyond a reflection of youthful unease. "You name me any class of people, any age, any color, and they were out on the streets looting last night," said Stephen Rochford, a 17-year-old white in Liverpool's Toxteth district, a ghetto of the unemployed. "This rioting is a case of the Liverpool people against the police and the Tories for being corrupt."

His companion, Cheryl Cullen, a 16-year-old white, offered a less sympathetic view. "Most of the people fighting don't even know what they are fighting for," she said. "They are just in it for a laugh."

### Deep-Seated Grudges

Indeed, spontaneous rioting has often broken out without apparent regard for economic conditions. And some of the recent violence has occurred in communities such as Toxteth where government aid programs have been focused in the past.

But the violence appears to have at least begun as a result of deep-seated grudges, which have varied from one neighborhood to another and from one group to another. For example, London's large population of Indians and Pakistanis in Southall, who have been relatively successful economically, display less concern about the economic policies but stress perceived abuse from police and racist working-class whites.

"It was just to fight the police," said Harinder Gill, 15, a resident of Southall, about a rock-throwing incident last Friday night. "They ignore the Asians and protect white people."

As the rioting has spread to other cities, the appearance of philosophic coherence — a cause — present at the earlier disturbances has ebbed. Instead, recent participants, sometimes whites and blacks battling as allies, have increasingly been viewed as idle self-

indulgers and have been branded in the British press "copycat mobs."

That has been reflected in the attitude of the government. British officials, who appeared to recognize an element of genuine tension and disillusionment in the earlier riots, have come down increasingly hard on the recent riots as "simple criminal hooliganism."

### 'Spiritual Deprivation'

But even for the copycats, underlying all the difficulties remains rampant unhappiness among them over Prime Minister Margaret Thatcher's economic policies, a social tension added to traditional English class differences and beyond even unemployment now veering towards 50 percent in some poor areas.

"The poverty of unemployed youth is not to be measured only by the money in their pockets," wrote Peter Jenkins recently in *The Guardian*. "There is a kind of multiple spiritual deprivation at work, too, a poverty of aspiration and of expectation created by family, school, environment and genetic inheritance."

In the streets that has translated into battles, with a single incident at times enough to set off volatile communities. In Wood Green, the trigger was an alleged attack by police on a black woman. In Toxteth, where blacks and whites alike quickly became aroused, it was a policeman stopping a black motorcyclist in search of proof of ownership.

The police are the symbol of authority and organized society most visible to the youths, almost all of whom — particularly a black or an Asian — will recount a chilling experience he or she has had with the law. Whether such stories are true matters less than the fact that the belief in their veracity has an effect.

At night, the police "just stop you for being there or being black," said Mark Walker, a 17-year-old black and an unemployed construction worker.

### Revenge

"It is great to get back at the police," said Lynn, 23, a food store worker with short, yellowish cropped hair and three earrings in one pierced ear. "The police kick you up, beat you up in the cells, use abusive language, and you can't do anything."

Underlying the tension for many working-class youths, even those who have jobs, is a feeling that the government does not care about them or about providing opportunities for them, a feeling engendered in large part by Mrs. Thatcher's emphasis in her economic policy on individualism.

"We can't get jobs," said Steve Sinclair, a 17-year-old white, originally from Perth, Scotland, now receiving unemployment compensation. "A lot of kids do look for work and are trying to find jobs, but a lot have just given up."

Mrs. Thatcher herself is an object of intense feeling among many youths. "She has no regard for human life," offered Skyburn. "She has no moral standards."



Pallbearers, escorted by hooded IRA men, carried the coffin of guerrilla Martin Hurson to be buried Wednesday in Galbally, Northern Ireland. Mr. Hurson died Monday after a hunger strike.

## IRA Buries Hurson; Violence Continues

(Continued from Page 1)

Six activists were arrested in that raid, which triggered a gun battle and a two-hour riot. Four of those arrested appeared in court Tuesday on weapons charges and were ordered held for trial. The raid Friday was the first such British operation during an IRA funeral, which usually is treated by the organization as a major political demonstration.

The death Monday of Mr. Hurson, 27, the sixth Irish nationalist hunger striker to die at the Maze prison in Northern Ireland, sparked riots and guerrilla attacks throughout the province, and police said at least six officers and a British soldier had been wounded in bomb and gun attacks.

The IRA appeared determined to defy the British Army and bury Mr. Hurson with full military honors, including three volleys of rifle fire. Sources close to the IRA said the guerrillas had planned the rifle salute, even though British troops arrested a squad that fired the salute during Friday's funeral of hunger striker Joe McDonnell.

### CIA Probe of Deputy Missed 'Blackmail'

(Continued from Page 1)

"I don't remember what they asked me on the polygraph because they asked me all kinds of questions."

"They ask you whether you ever committed a crime," interjected Mr. Sporkin, who joined the agency even more recently than Mr. Hugel.

"They ask you that," Mr. Hugel agreed.

Despite all the seeming thoroughness of the CIA's routine, however, it missed the McNeill. Yet Thomas McNeill claims that

when he heard reports last December that Mr. Hugel was in line for a top job at the CIA, he then tried to contact President Reagan's personal director, E. Pendleton James, to deliver his warnings. He says Mr. James never called him back.

"It Must Be Free"

Mr. Hugel started work at the CIA as a "special assistant" to Director William J. Casey, a good friend and colleague from the Reagan campaign. On Feb. 13, Mr. Casey made him the agency's deputy director for administration. Then, in early May, Mr. Casey shocked the intelligence community by naming Mr. Hugel, 56, deputy director for operations — the head of the CIA's clandestine services, the man who picks station chiefs and deputy station chiefs all over the world.

Sen. Daniel P. Moynihan, the New York Democrat who is the committee's vice chairman, expressed his objections to what he regarded as the "politicization" of the operations directorate.

"Those concerned with the effectiveness of the Central Intelligence Agency have always understood that it must be wholly free of politics," Sen. Moynihan said. "It must not appear to be free, but it must be free. With but rare exceptions, the deputy director for operations has been a career professional and never, surely, a campaign aide with no visible qualifications for the job."

Sen. Moynihan said the CIA must now "ask itself how it failed to learn what the Washington Post learned about the man appointed to the most sensitive post in the entire community. The administration must ask itself how it allowed this disaster to come about in the first instance."

## Study Finds Rise in Trend Of British Racial Friction

(Continued from Page 1)

George Terry, president of the Association of Chief Police Officers, said after the meeting that such additions to the police arsenal such as plastic bullets and water cannons would not be used indiscriminately.

"Last Resort"

"It will be up to the individual chief constables to decide if they need these things to deal with a riot but I know they will only be used as a last resort," Mr. Terry said.

The epidemic of violence appears to be in remission. Only in London were there any reports of trouble Tuesday night. Scotland

## U.S. Jet Crashes in Alaska

(Continued from Page 1)

ANCHORAGE — An F-4 Phantom II fighter on a routine training mission has crashed in a remote Alaskan area near Eielson Air Force Base, killing two crewmen, an Air Force spokesman said. There was no collision, he said, but he refused to give further details of the crash Tuesday.

Yard said, and these minor instances of unruly groups in several neighborhoods were quickly dispersed by police.

In the city's Brixton area, where looting and rioting erupted a week ago, more than 100 police officers staged an early-morning raid, entering 11 houses with search warrants, reportedly to seek firebombs. Seven persons were arrested, five of whom were charged with possession of drugs.

## Army Veteran Charged by U.S. With Espionage

(Continued from Page 1)

JACKSONVILLE, Fla. — A former U.S. Army warrant officer was indicted Wednesday on charges of supplying the Soviet Union with information about a U.S. code-making device. Joseph George Helmick, 44, also was identified as a colonel in the Soviet Army.

U.S. Attorney Gary Betz identified Mr. Helmick as a Soviet colonel during a hearing before a U.S. magistrate, who set bail at \$500,000.

FBI Director William H. Webster said Mr. Helmick was arrested by FBI agents here following an extensive investigation by the bureau into the alleged espionage in the 1960s. Attorney General William French Smith said Mr. Helmick's arrest followed his indictment by a federal grand jury in Jacksonville on charges of violating the Espionage Act.

According to the indictment, Mr. Helmick gave Soviet agents classified information involving a sensitive U.S. cryptographic system known as the KL-7. The FBI said the KL-7 system was used to encode U.S. communications and that the information was relayed to the agents in Paris in 1963.

Mr. Helmick is a native of Florida and served as an Army warrant officer from 1954 to 1966 in Paris and at Fort Bragg, N.C. Since 1967, he has been employed in a variety of jobs.

## Philippine Newsmen Assail Marcos Move

(Continued from Page 1)

MANILA — In their first attack on the government in nine years, Philippine newsmen Wednesday blasted an "assault on press freedom" move to censor an editor who wrote an article critical of President Ferdinand E. Marcos.

The 250-member Philippine National Press Club said in a statement that it was appalled by events that led to the resignation of Lerty Magasno as editor of Panorama magazine, a Sunday supplement of Bulletin Today, the country's largest newspaper.

"We cannot but view [this] as an assault upon press freedom in our country today," the press club said.

"Far from censuring or harassing the government should encourage free expression in the interest of a dynamic and progressive society," it said. "A mangled or timid or scared press is not in the interest of political normalization."

Mrs. Magasno, 40, a journalism graduate of the University of Missouri, wrote July 12 that the election of Mr. Marcos, 63, last month to a new six-year term was "marked by suspicions of connivance, corruption and dishonest counting of votes."

Quoting an opposition leader, she said Mr. Marcos "is the country's No. 1 problem," adding that despite his powers, the president is "powerless before corruption and the corruptors."

She said that if the situation continued, Filipinos would "tear at the republic."

The publisher of Panorama, Hans Menz, a former Marcos aide, was summoned to the presidential palace and received a dressing down from Mr. Marcos, Mrs. Magasno said she was forced to resign. "It's myself or the magazine," said Mrs. Magasno, who in the past had written articles critical of the administration.

The press club's statement was the first issued against the government since 1972, when Mr. Marcos, who has been in power since 1965, declared martial law. The emergency was lifted last January, paving the way for the election.

## U.S. Jet Fighter May Have Shot F-4 in Training

(Continued from Page 1)

EGLIN AIR FORCE BASE, Fla. — Air Force documents suggest that an F-4 fighter that crashed into the Gulf of Mexico in April may accidentally have been shot down by another plane, the Pensacola (Fla.) Journal has reported.

A report on the incident indicates that the jet, one of five participating in a training mission, burst into flames only seconds after one of the other planes fired a missile at an unarmored target, which was not hit.

The report obtained by the Journal reached no conclusions about the cause of the crash, and the Air Force refused to release a second part of the report titled "Investigation, Analysis, Findings and Recommendations."

The \$3.3-million aircraft was lost about 47 nautical miles south of Tyndall Air Force Base at Panama City, Fla., but the two-man crew parachuted to safety, the Journal said.

## Hanoi Refusing To Accept UN Cambodia Effort

(Continued from Page 1)

UNITED NATIONS, N.Y. — Vietnam dashed all hopes Wednesday that an international conference on Cambodia in progress here would eventually lead to the withdrawal of Vietnamese troops from Cambodia.

The Vietnamese ambassador, Ha Van Lau, whose government is boycotting the proceedings, said: "We are not going to recognize any committee created by the conference." He also said that any results coming out of it would be illegal.

A declaration being drafted for adoption before the conference adjourns Friday would set up a committee to "establish and maintain contact with the parties to the conflict" in Cambodia in a search of a settlement.

The Vietnamese envoy said that the UN conference had been inspired by China, the United States and the Association of Southeast Asian Nations. As such, he said, it was "unsolicited."

## Western Initiative on Troop Movements May Bring Accord at Madrid Conference

(Continued from Page 1)

LONDON — Western governments will offer compromise proposals to the Soviet Union this week in an effort to wind up the marathon Madrid Conference on Security and Cooperation in Europe, diplomatic sources said Wednesday.

The proposals are designed to answer demands for Western concessions following a Kremlin offer to extend notification of military movements all the way to the Urals.

The latest compromise proposals were delayed while U.S. agreement was sought, the sources said. The Reagan administration had been hesitant, but agreed to the plan this week. The sources said backstage work on a final document for Madrid produced basic agreement on other disputed issues, including human rights.

Western delegates at the 10-month-old meeting to review and advance the Helsinki accords believe the compromise plan will enable agreement to be reached on holding a European disarmament conference next year. There are now hopes that the 35 nations taking part can agree on a final document by the end of this month, the sources said.

Notification of Maneuvers

The proposals reportedly will define a geographical zone in which projected military "confidence-building measures" are to be applied. France, backed by 14 NATO countries, has called for advance notification of maneuvers

## Polish Aide Warns Party To Maintain Reform Line

(Continued from Page 1)

Others were Tadeusz Fitzbach, the liberal Gdansk party leader; Andrzej Zabinski, chosen by Mr. Kania to replace an associate of former party leader Edward Gierek as party chief in Katowice; Henryk Szablik, an unknown provincial party chief from Ostroleka; and Stanislaw Kocielek, the conservative Warsaw city party leader.

Polish officials said later a letter purportedly from former Communist Party leader Wladyslaw Gomułka questioning Mr. Kania's political background had been circulated among congress delegates.

They said the letter, which may not be authentic, linked Mr. Kania with the decision to use troops to quell worker riots in the Baltic ports in 1970. Mr. Gomułka, 76, was removed shortly after the outbreak of the Baltic Coast violence and replaced Mr. Gierek.

Speakers from the Soviet Union, East Germany and Czechoslovakia expressed their deep concern at what they described as the counter-revolutionary threat.

The Czechoslovak delegate, Antonin Kapkek, recalled Prague's argument that events in Poland in the last 12 months closely resembled the situation in his country in 1968, which led to Warsaw Pact intervention.

"We remember well the whole gamut of diverse means of cheap demagoguery and brutal pressure used by our internal and external enemies," Mr. Kapkek told the congress Wednesday.

## Accord on Pay Ends Massachusetts Strike

(Continued from Page 1)

BOSTON — Striking state workers, apparently satisfied with a resolution to their payless paydays, have ended a four-day strike and returned to work.

The thousands of state workers received their overdue paychecks Tuesday after Gov. Edward J. King signed into law emergency legislation providing two weeks of back wages for the workers, who had gone unpaid since the fiscal year began July 1.

Accord on Pay Ends Massachusetts Strike

## Moscow Plenar Banned

(Continued from Page 1)

MOSCOW — Authorities in the Moscow region, fearing an outbreak of peat fires amid a heat wave, prohibited day outings in peat bogs and wooded areas Wednesday. Temperatures here reached 93 degrees Fahrenheit (34 Celsius) and affected grain crops.

## CIA Probe of Deputy Missed 'Blackmail'

(Continued from Page 1)

"I don't remember what they asked me on the polygraph because they asked me all kinds of questions."

"They ask you whether you ever committed a crime," interjected Mr. Sporkin, who joined the agency even more recently than Mr. Hugel.

"They ask you that," Mr. Hugel agreed.

Despite all the seeming thoroughness of the CIA's routine, however, it missed the McNeill. Yet Thomas McNeill claims that

## French Cabinet Sets Measure on Decentralization

(Continued from Page 1)

PARIS — The Cabinet of France's Socialist government cleared the way Wednesday for what has been called one of the most radical measures in its program by approving a draft law to lessen control from Paris over the provinces.

The measure, certain to be approved in coming weeks by the National Assembly, in which the Socialists have a clear majority, gives wide powers to local and regional government bodies and drastically reduces the role of Paris-appointed prefects.

During his successful presidential campaign against the incumbent, Valéry Giscard d'Estaing, Francois Mitterrand argued that centuries of growing regionalism from Paris had stifled development in the regions.

Under present legislation, the prefects, who are effectively vice consuls for government in Paris, have virtual veto powers over all local government measures, which have to be submitted for their approval before they can be implemented.

The new law provides for the eventual abolition of the prefects and their replacement by "commissioners of the republic," with a largely consultative role. The elected leaders of France's local government bodies and the 96 regional assemblies and 18 regional councils are to have full executive powers with the right to determine their own budgets without advance approval from the new commissioners.

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## WORLD NEWS BRIEF

### 4 More Leftists Shot by Iranian Firing Squads

BEIRUT — Iranian firing squads executed four more leftists, a military ordered personal bodyguards of fugitive ex-President Abou-Sani-Sadr to turn in their arms within five days or face prosecution, according to broadcasts from Tehran.

The latest executions on Tuesday raised to 189 the number of people put to death since Mr. Sani-Sadr's removal three weeks ago. They were convicted of being guerrillas for the Mujaheddin Khalaq, a Marxist group fighting Ayatollah Ruhollah Khomeini's Islamic regime.

Two were shot in the central city of Isfahan and two in the Caspian Sea resort of Amol.

### Brazil Makes Agricultural Deal for Soviet

MOSCOW — Brazil signed a multimillion-dollar trade agreement Wednesday to exchange agricultural products for Soviet oil.

Brazilian sources said that Brazil would supply the Soviet Union grains, oilseeds, cereals and other commodities for up to five years. Soviet Union will supply oil to Brazil at a rate of 20,000 barrels a day initially for five months, starting in August.

The agreement also makes possible Soviet participation in the Grande hydroelectric project in southern Brazil. It was not known if included the purchase by Brazil of turbine generators worth up to \$1 million.

### 5 Jailed for Life in U.K. Drug-Dealer Says

LANCASTER, England — Five men were sentenced to life imprisonment Wednesday for the murder of a drug racketeer in the "hanged corpse" trial that has been one of the longest and costliest in British history.

Terry Sinclair, 36, the multimillionaire boss of a worldwide drug empire, was convicted with others Monday of the 1979 murder of a partner and fellow New Zealander, Martin Johnstone, 27.

Mr. Johnstone, who had apparently double-crossed the syndicate drug swindle that cost Mr. Sinclair an estimated \$1.5 million, was shot the head and thrown into a quarry. To prevent recognition the killers off his hands and crushed his face with a hammer.

### Kreisky Calls U.S. Uninterested in Missile Talks

BONN — Chancellor Bruno Kreisky of Austria, at the start of a socialist International meeting Wednesday, said the United States currently shows little inclination to negotiate with the Soviet Union about medium-range nuclear missiles in Europe.

He said that in his opinion the Soviet Union is prepared to begin negotiations. Mr. Kreisky described as important the recent talks in Moscow between Willy Brandt, the West German Social Democratic Party leader, and Soviet President Leonid I. Brezhnev.

The controversial Moscow talks were among the subjects Mr. Brandt was to explain to the world Socialist leaders meeting at his party's headquarters.

### Court Frees Spanish Major Held as Terrorist

MADRID — A Spanish court Wednesday ordered the release of Major Ricardo Saez de Yustellias, the first military officer detained by civilian authorities under anti-terrorist laws.

The major reportedly trained a group of 50 neo-Fascists to carry out terror acts on June 24, and was initially arrested and released by military authorities.

The release was a blow to the government's campaign to weed out rightist elements from the armed forces after February's unsuccessful military coup. Trial of the 34 officers indicted for the Feb. 23 attempt is not expected before the end of the year.

## Begin Accepts Mandate On Cabinet, Sets Talks

JERUSALEM — Prime Minister Menachem Begin accepted the official mandate to form Israel's next government Wednesday and launched an intense schedule of talks with the parties he needs to form a majority coalition.

While saying he hoped to assemble a Cabinet by July 27, Mr. Begin summoned his outgoing Cabinet to approve an agreement with the United States and Egypt on a multinational force to monitor the Sinai Peninsula after Israel's final withdrawal next April.

The three countries are to initial the agreement Friday in London before it is submitted to their respective legislatures for ratification.

Mr. Begin went immediately to the Western Wall, Judaism's most important site, to pray and kiss the ancient stones after President Vithak Navon gave him the official invitation to form the next government.

The military command, meanwhile, reported Wednesday that rockets fired from Lebanon smashed into northern Israel, killing three Israelis and wounding 13.

Border Fighting

Last Friday, Israeli planes struck Palestinian guerrilla camps in Lebanon, and the Palestinians responded with rocket salvos. Israeli planes raided Palestinian bases in Lebanon on Sunday and Tuesday, and a Syrian MIG-21 was shot down Tuesday when it tried to interfere with the Israeli bombers.

Mr. Begin held talks with the Liberal Party faction of his Likud bloc and scheduled formal consultations on Thursday, Friday and Sunday with the three religious parties with enough seats to give him a bare majority — 61 seats — in the 120-member Knesset (parliament).

The consultations will lead to a division of Cabinet portfolios — an area where Mr. Begin acknowledged there is conflict — and to a declaration of government policies.

In 1977, Mr. Begin's first coalition was bound by an eight-page policy statement, and the same kind of pact is likely to emerge this year since the coalition partners are likely to be virtually the same.

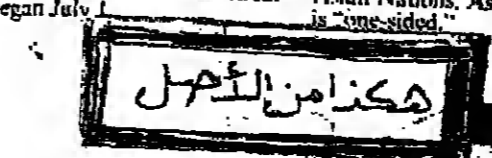
The Likud's 48 Knesset seats will be buttressed by the six of the National Religious Party, the four of the ultra-Orthodox Agudat Yisrael and three of the Tami Party, a North African faction that broke away from the National Religious Party before the June 30 election.

One problem, Mr. Begin said, was the religious affairs portfolio, which was held by the National Religious Party but was wanted by Abaron Abuzetza of the Tami Party. Mr. Abuzetza held the portfolio when he left the National Religious Party.

"The National Religious Party

### Moscow Plenar Banned

MOSCOW — Authorities in the Moscow region, fearing an outbreak of peat fires amid a heat wave, prohibited day outings in peat bogs and wooded areas Wednesday. Temperatures here reached 93 degrees Fahrenheit (34 Celsius) and affected grain crops.



# House-Senate Panel, Largest Ever in U.S., Convenes on Budget

By Paul Houston  
*Los Angeles Times Service*

WASHINGTON — The Senate and House have launched the biggest conference committee in U.S. history to work out differences in bills that would cut more than \$37 billion from the federal budget in the fiscal year beginning Oct. 1.

Sen. Pete V. Domenici, the New Mexico Republican who was named chairman of the Senate-House panel, said the conference was unprecedented in both the number of members and the range of subject matter.

Sixty-nine senators and 160 House members will split up into 44 subcommittees to work on legislation that, at President Reagan's urging, would slash more than 250 federal programs, dramatically reducing aid policies dating from the New Deal. The committee began work Tuesday.

Sen. Domenici said leaders of the Democratic-controlled House and the Republican-controlled Senate had agreed to try to reach a conference agreement on the spending-cut bill before Congress recessed in August.

One prominent House member, Rep. Phil Gramm, Democrat of Texas, was left off the conference committee by House Democratic leaders who were annoyed by his role in co-authoring the Reagan-backed measure that won House approval last month.

It was the first disciplinary action that leaders of the Democratic majority in the House had sought against party conservatives who

joined in a winning budget coalition with Republicans.

Rep. James R. Jones, the Oklahoma Democrat who is vice chairman of the conference committee, said he told Rep. Gramm that "it didn't work out... we had more requests to serve than we had space."

Rep. Gramm protested that it was "unprecedented that a major author of a piece of legislation is not appointed as a conferee."

Considering the lengths of both the Senate and House versions of the legislation, there are relatively few differences to be worked out; the House bill would cut \$37.3 billion from current programs in fiscal 1982 while the Senate version would cut \$38.1 billion.

Sen. Domenici said that "not more than 20 issues are likely to be difficult, but there could be 50 or so issues that require discussion."

The two biggest differences between the Senate and House bills involve cutbacks in Medicaid and various health programs that Mr. Reagan wants rolled into block grants substantially controlled by the states. Other major differences include cuts in dairy price supports, Conrail and so-called impact aid to school districts that have military installations.

The conference began its work after Senate Republican leaders spurned a bid by Mr. Reagan to bypass the conference, which he considered too large. The president, at Budget Director David A. Stockman's urging, asked that the Senate consider adopting the House-passed bill.



GARDEN PATH — President Reagan strolled Wednesday with Supreme Court nominee Sandra Day O'Connor in the White House Rose Garden. The Arizona appeals judge met with Mr. Reagan and congressional leaders.

## Turnabout on Latin Rights By Reagan Called 'Illegal'

By John M. Goshko  
*Washington Post Service*

WASHINGTON — The chairman of the congressional Joint Economic Committee has accused the Reagan administration of "immoral and illegal" action in deciding to reverse a U.S. policy of opposing loans by international development banks to four South American military regimes.

"The administration has played fast and loose with the law," Rep. Henry S. Reuss, a Wisconsin Democrat, told Myer Rashish, undersecretary of state for economic affairs, on Tuesday.

Rep. Reuss contended that the decision to support loans for Argentina, Chile, Uruguay and Paraguay violates a 1977 law prohibiting U.S. backing for such loans to countries engaged in systematic violations of human rights.

Similar criticism of the administration's action was expressed to Walter J. Stoessel Jr., undersecretary for political affairs, by Rep. Don Bonker, a Democrat from Washington and chairman of the House subcommittee on human rights, during a hearing on the administration's rights policy.

Policy Turnabout

In a turnabout from the policy set by former President Jimmy Carter, the administration decided July 1 that it no longer will abstain or vote against loans from the World Bank and the Inter-American Development Bank to the four countries. Secretary of State Alexander M. Haig Jr. justified the move on the grounds that these regimes had improved their rights records, and both Mr. Stoessel and Mr. Rashish reiterated that position on Tuesday.

In a lengthy statement, Mr. Stoessel stressed that the adminis-

## Vatican Expects Shortfall On 1981 Budget of Curia

By Henry Tanner  
*New York Times Service*

ROME — The Vatican, in a rare public disclosure of the state of its finances, announced Wednesday that the Curia, the government of the Roman Catholic Church, will have a deficit of 31 billion Italian lire this year (about \$26 million at the current rate).

In lire, this is almost twice the size of the deficit two years ago. In early November, 1979, the Vatican had announced that the shortfall for that year was 17 billion lire (about \$20 million at the rate prevailing then). The gaps appear smaller in dollars because the exchange rate in 1979 was 840 lire to the dollar, whereas now it is about 1,200.

Wednesday's official announcement stated the figures in lire only. The lira is the monetary unit of the Vatican.

The statement was issued at the end of a two-day conference of 15 cardinals, all non-Italians, who had been chosen by Pope John Paul II to review the Curia's finances.

Cardinals' Proposals

The dramatic growth of the deficit meant that economy measures and proposals for administrative reform recommended two years ago by the full Sacred College of Cardinals either have proved ineffective or have not been carried out.

The cardinals called for streamlining the overblown bureaucratic structure of the Curia, including the abolition or merger of several secretariats.

The statements on the size of the deficits for 1979 and the current year are described by Vatican experts as the first public disclosures of their kind. No statement was issued for 1980.

The break with secrecy was ordered in 1979 by the new pope, who had been in office slightly more than a year at the time.

Wednesday's statement contained an implied appeal to the wealthier Catholic communities around the world to step up their contributions to the Curia.

"It said that the Vatican would be seeking a 'more adequate and or-

## Sir Peter Cargill Of World Bank Is Dead at 65

Washington Post Service

LONDON — Sir Peter Cargill, 65, a retired senior vice president of the World Bank, died Friday of an internal hemorrhage. Sir Peter, who lived in Washington, had been granted a knighthood in the queen's birthday honors list this year. He went to England to receive the honor from Queen Elizabeth II.

Sir Peter, whose full name was Ian Peter M. Cargill, joined the World Bank in 1952 as a loan officer and was a senior vice president at the time of his retirement in July, 1980. During his years with the bank, he specialized in work concerning the Indian subcontinent.

## Pal C. Molnar Of World Bank Is Dead at 65

BUDAPEST (AP) — Pal C. Molnar, 67, a Hungarian painter noted for his biblical and medieval scenes and landscapes and nudes, died Monday.

Rene A. Wormser

NEW YORK (NYT) — René A. Wormser, 84, a lawyer who specialized in estate planning and wrote six books about it, died Tuesday. He was the author of "Personal Estate Planning in a Changing World," which went through nine editions after its initial publication by Simon & Schuster in 1942.

## Nicaraguan Official Admits Receiving Soviet Tanks

By Juan M. Vasquez  
*Los Angeles Times Service*

MANAGUA — A prominent member of the Nicaraguan government has acknowledged that Nicaragua has received Soviet-made tanks in reaction to what he said was the threat of invasion and the "arms-supply politics" of the United States in Central America.

Jaime Román Wheelock, one of the nine members of the all-powerful directorate of the Sandinista National Liberation Front, said Tuesday in an interview that Nicaragua recognized "an obligation to arm ourselves, so we asked friendly countries for help."

The disclosure was the first confirmation of published reports last month saying that the U.S. State Department had received evidence of the Soviet tank shipments. The State Department called the introduction of Soviet-made T-55 tanks into Nicaragua a threat to the regional stability of Central America.

"We won't say if they're T-55s or whatever," Mr. Wheelock said. "Let the State Department figure it out. As for how many there are, let's just say the quantities shouldn't bother anybody, except those who might be interested in invading us."

Leaders Tense

His remarks reflected the tension that has gripped the leaders of the Nicaraguan revolution that ended the dictatorship of Anastasio Somoza in 1979 ever since the emergence of terrorist bands along the border with Honduras.

The former Somoza National Guardsmen have staged a series of raids on border outposts inside Nicaragua this year that have killed several soldiers. More than a dozen nonmilitary members of a rural literacy campaign have also been slain, according to the government.

In Honduras, the existence of the Revanchist Somocista camps is an open secret. Some members of the conservative military government of that country are believed to favor an outright attack on Nicaragua.

Training camps have also been reported to exist in southern Florida and near New Orleans, which prompted the Nicaraguan government to prepare a note of protest to the U.S. government early last spring.

Mr. Wheelock charged that the "arms-supply politics" of the United States — a reference to military assistance to the governments of Honduras, El Salvador and Guatemala — was encouraging the terrorists.

The assistance was kept to low

levels under the Carter administration, with all aid and sales banned to Guatemala because of its human-rights record, but increased aid is expected.

U.S. Aid Cut Off

The Reagan administration has announced that human-rights considerations will no longer be an overriding factor in deciding whether to provide military assistance to friendly governments.

Nicaragua, however, because of allegations that it helped supply weapons to guerrillas in El Salvador, has been cut off from virtually all forms of aid from the United States.

Mr. Wheelock contended that in the face of the military threats facing Nicaragua, the country had no choice but to ask for military aid from any willing country, and to accept what was given.

"We didn't want to spend a single dollar on arms," he said. "Fortunately, they were given to us."

A ranking U.S. diplomat said that the discovery of the tanks was

a worrisome development because it introduced a new offensive weapon into an already tense situation.

"In real military terms, they're less than meets the eye," he said, reflecting a consensus that tanks would not be a decisive military factor in the rugged mountain terrain of Nicaragua. "But in psychological terms, they're worrying other people. They're raising the paranoia level, and paranoia is what leads to international conflicts."

## U.S. Begins Deportation Proceedings Against Salvadorans Seeking Asylum

By Laurie Becklund  
*Los Angeles Times Service*

EL CENTRO, Calif. — The Reagan administration has quietly taken the first step toward deporting thousands of Salvadoran refugees who have applied for political asylum in the United States, State Department sources said.

One source said that the department had begun sending out 1,200 letters to Salvadoran emigrants, telling them the majority of them that they have failed to meet U.S. criteria for asylum. The refugees have filed the civil violence in El Salvador.

While the State Department said publicly that some applications for asylum had been accepted, officials of the Immigration and Naturalization Service and refugee aid groups said they had seen no letters approving claims for asylum.

The State Department source said that the letters indicated that the Reagan administration has opted for a strict, narrow interpretation of U.S. political asylum laws.

According to Robert Mitton, the acting INS district director in San Diego, that interpretation will mean that a Salvadoran claimant would have to show written proof, such as a newspaper clipping naming the individual or a convincing affidavit, that he would be persecuted if he returned home.

Salvadorans' claims had not been processed for more than a

year, while the Carter administration debated whether to grant all Salvadorans temporary refuge because of continuing violence in El Salvador. In the last days of the Carter administration, a compromise emerged to delay any rulings on the requests for asylum. In that time, nearly 4,000 requests for asylum built up, the INS said.

Judith Jamison, a State Department spokeswoman, said that the Bureau of Human Rights and Refugee Affairs began to process asylum cases in April, and that some had been approved, although she refused to indicate how many.

But immigration lawyers and officials in Southern California said Tuesday that they had not seen any letters recommending approval, adding that more than 200 such letters had passed through their offices since last month.

"Well-Founded Fear"

Warren Leider, executive director of the National Immigration Project of the National Lawyers Guild, reported that immigration lawyers in several cities had begun receiving the letters and that there had been no "nonnegative responses."

"Everybody, all the lawyers, just started getting form letters back a couple weeks ago saying that their clients had not proved a well-founded fear of persecution if they were to be deported," said Bruce Bowman, a lawyer for a church-funded legal aid group for Salvadorans.

"It doesn't seem to matter how weak or how strong the cases are," he said. "The U.S. government finally has shown it is determined to prove these people are not political refugees, that they are just coming here looking for work."

The government's letter is one step — but an important one — in a lengthy and complicated process for deportation, and there is provision for a series of hearings and appeals. As a practical matter, many refugees will probably return to El Salvador voluntarily because they cannot afford a lawyer or bail.

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## British Cause and Effect

The House of Commons begins formal debate today on the worst civil disorder in Britain since the end of World War II. If its members are unable to meet the need for a far-reaching and imaginative solution based on analysis, compassion and a willingness to renounce partisan gain, the result could be a national disaster.

Prime Minister Margaret Thatcher can set the right tone by directing her attention away from the hardware of modern riot control — CS gas, water cannon and rubber bullets. In response, the frustrated opposition can abstain from shouting her down with pithy epithets like "stupid woman" and "silly cow."

If both parties are true to form, though, the debate, itself, will probably go along the following lines: The prime minister will assert that discipline has broken down in the home and the community and that until order is restored, nothing can be accomplished. The Labor opposition will assert that unemployment is to blame and that until Mrs. Thatcher changes her economic policies the situation can only get worse.

It doesn't take much sense to recognize that both sides are partly right. There has been a breakdown of order and the Tory government's economic policies have brought the pot to the boil. There is also, however, a fundamental error in Mrs. Thatcher's position. She is describing an effect rather than a cause. The same complex web of circumstances that have brought about the riots are responsible for the collapse of discipline in the family and the community.

In the broadest sense, there seems to be a feeling in Britain that the old order has failed. Millions of young people, white, brown and black, see little hope of escaping from deprivation. The most alienated of the whites blame Asians and blacks for their troubles. The Asians and blacks blame the whites, symbolized by the police. All reject their parents to the extent that parents accept the status quo. All reject the community, because it represents the establishment.

Mrs. Thatcher recognizes the economic root of the problem. She understands that for any long-lasting solution to work, British productivity must be substantially increased; that spending cannot continue to outrun income; that inefficient operations, both in the private and the public sectors, must be turned around or phased out.

But she seems to have little understanding of the social magnitude of the British disease. Her single-minded focus on law and order to the exclusion of other dimensions of the upheaval can be expected to confuse and exacerbate matters, to further alienate the nonwhite and the jobless. Mrs. Thatcher is acting as if she thinks banging her fist on the table will make everything fall into place. Well, it hasn't in Ulster. And there is no reason why it should in Brixton, Bristol, Southall or Green Wood, either.

Mrs. Thatcher is right in restoring law and order. She is also right to give the police the means to do their job efficiently, even if it means using rubber bullets. But she is wrong in not considering additional funds to improve living conditions in deprived areas until there is a full return to quiet. She is wrong to hold up spending aimed at creating new jobs for the young. She must display some awareness that the rioters are not all the same — that an East End skinhead off on a "Paki-bash" with swastikas on his arm, chains in his hands and steel toes on his boots, is very different from the Southall Asian he is out to maim. But most of all, Mrs. Thatcher must demonstrate that she understands that the British disease is now acute.

In the United States in the late 1960s, the cities were burning — Watts, Washington, Newark, Detroit. But the government was also in the process of putting into place the Great Society, which rightly or wrongly made it appear sensitive to the needs of the poor. There was a widespread perception that government cared. It is impossible to say just how much that feeling contributed to the quenching of the fires, but few would argue that it did not contribute at all.

In Britain, there is no general perception that the government sympathizes with the problems of the poor and the unemployed. The opposite may be true. One young West Indian told a New York Times reporter that Mrs. Thatcher "has no regard for human life. She has no moral standards." If that view becomes widespread — and it may already be in the riot-torn areas — no amount of gas or rubber bullets will stop the riots. Unless Mrs. Thatcher can show more compassion than she has been able to project in the past, Britain may be just beginning the first in a series of long, hot summers.

INTERNATIONAL HERALD TRIBUNE.

## For an Energy Affiliate

The fivefold increase in the real costs of energy has put the 90-odd developing countries that import oil in a desperate bind. To break out of poverty they must make all kinds of expensive investments. But for most of them, energy costs are consuming what money is available and contributing to a soaring debt as well.

The good news is that their energy needs are small. These 92 nations collectively use only about 12 million barrels of oil a day, or three-quarters of daily U.S. consumption. For about 60 of them, daily imports are less than 10,000 barrels. Amounts of oil that are hardly noticeable in American terms can make the difference between near bankruptcy and a chance for affluence for them.

Predicting where undiscovered oil reserves may lie is still a highly uncertain business. The only sure way to find out is to drill exploratory wells. But drilling is expensive, complicated and risky. This is one reason why only 5 percent of current world exploration is taking place in a collection of countries that are estimated to hold up to 40 percent of the world's prospective reserves.

There are other factors: political instability, the fear of expropriation and the expectation that none of these countries harbors fields large enough to make a dent in the needs of an industrialized country. Still, the potential exists for many small- to medium-

size fields. A field that might be insignificant to Exxon would make all the difference in Benin or Thailand or Cyprus.

Clearly there is a need for an institution to provide a source of money, insurance against political risk and access to planning and management expertise. It exists in the World Bank, which is already lending money for energy development. But the need far exceeds the resources of the bank, which last year recommended the creation of a new energy affiliate to double current lending goals.

Debate on the merits is going on in the Reagan administration, which initially was not keen on the idea, for ideological and economic reasons. But the administration professes a strong commitment to developing the energy resources of non-producers and to giving the World Bank an important role, along with OPEC and private capital.

Others point out that every barrel of imported oil replaced by new finds in the Third World will ease pressure on the world market, drive down prices, stretch out reserves and lessen American reliance on the volatile Middle East. Ultimately, moreover, economic growth in Third World countries will contribute to their political stability and diminish opportunities for Russian troublemaking, not to mention open markets for American products.

THE WASHINGTON POST.

## The Spymaster's File

The Max Hugel file, it turned out, was a little thicker than the CIA realized when it signed up the erstwhile New Hampshire businessman and Reagan campaign aide as deputy director of operations in May. The check that the agency ran on Mr. Hugel failed to pick up the tangled skein of certain of his business affairs.

Two former associates, tapes in hand, have accused the nation's chief spymaster of engaging in improper or illegal "insider" stock market practices. Mr. Hugel denied all charges and, within hours, resigned.

The episode is a pie in the face of the CIA and its director, William J. Casey, who had rocked the agency's old-boy network, and raised eyebrows elsewhere, by choosing as his aide for covert operations and clandestine intelligence-gathering someone with no previous experience in those fields. The CIA is not the first organization to hire a bit hastily. Still, it has better reason and resources than most to proceed carefully. It is not hard to imagine scenarios — several novelists are

probably at it already — with far graver endings than the resignation of an official whose difficulties lay entirely in his business past. That these difficulties were of a sort unquestionably familiar to Mr. Casey, a former chairman of the Securities and Exchange Commission, sharpens the question of how Mr. Hugel passed through the CIA screen.

In some quarters, Mr. Hugel's departure is being taken, and even celebrated, as vindication of the folly of bringing in an outsider to run the country's agents and spies. But the tinge of social snobism aside, this is a narrow view. His trouble came not in intelligence, in which he was an outsider, but in business, in which he was an insider.

It has to be put down as a moot question whether the street-smart, freewheeling Mr. Hugel would have done better or worse as a spymaster than those intelligence insiders whose shortcomings had made it seem sensible enough to install an outsider in the first place.

THE WASHINGTON POST.

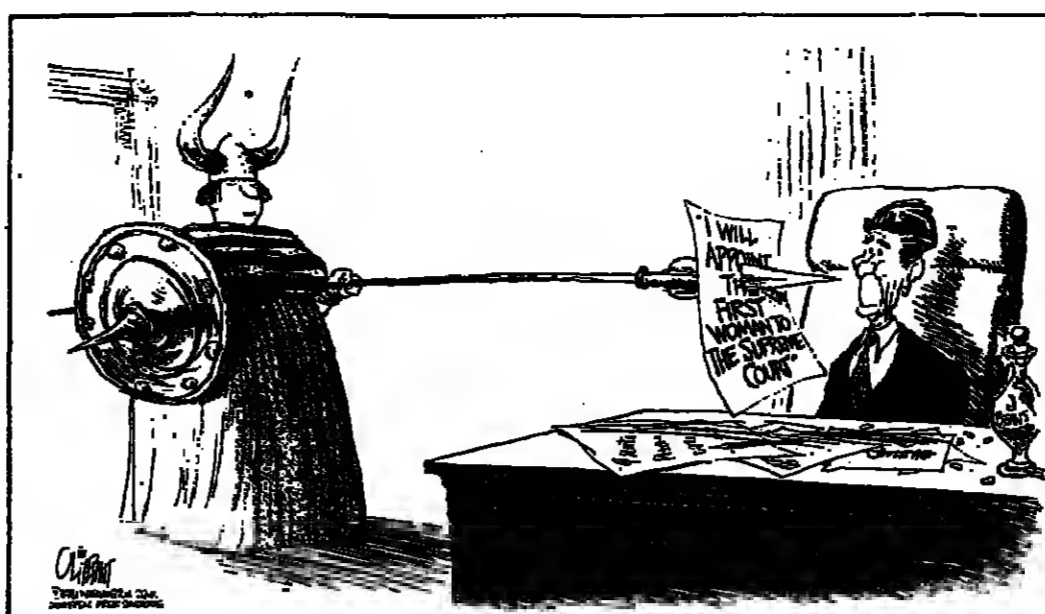
## In the International Edition

Seventy-Five Years Ago  
July 16, 1906

WASHINGTON — One of the greatest possibilities of trouble in congressional elections is promised by the activity of the Federation of Labor, numbering 1.5 million trades unionists, which threatens to oppose all candidates refusing to pledge their support to anti-injunction and eight hour bills and other labor legislation. While the Republican and Democrat leaders are resting for the November fray, the Federation is preparing to put candidates into the field where the regular candidates are hostile or indifferent to labor. Their campaign is aggressive, even bellicose, encouraged by the recent election of 53 members to the British Parliament.

Fifty Years Ago  
July 16, 1931

PARIS — Today's editorial in the Herald on the change of the Spanish regime reads: "The new Spanish Cortes has opened auspiciously. The speech of the provisional chief of state, Alcalá Zamora, was a model of tense eloquence. He emphasized that the revolution had been bloodless and that the republic is under no foreign obligations. The absence of any popular disturbance during the parade in honor of the inauguration of the Cortes is a hopeful omen. The great task of the constitutional Cortes will be the creation of the constitution that will provide the formula for the election of the regular body that is to be the legislative branch of the new government."



## An Effaced Court Awaits Her

By Joseph Kraft

WASHINGTON — No Supreme Court justice named in the last half century begins to rival in importance the president who made the appointment. So put aside as momentary overstatement the recent comment asserting that presidents chiefly make history by their selections for the court.

Even in that perspective, however, President Reagan's choice of Sandra Day O'Connor casts a long shadow. Not only does Reagan break a pattern of sex discrimination, he also delivers on a campaign promise in a way that fosters faith in the system.

Finally, he shores up the court — or at least works against deterioration — by naming a justice with affinities to its shifting center as against its two extremes. The honorific status of the court, whatever else may be in question, does not admit doubt. The Supreme Court is the most dignified of U.S. institutions, the holy of holies in the American system, the ark of the national covenant. Groups accustomed to view themselves as outsiders inevitably attach high importance to being included in the nomination of Louis Brandeis was a milestone for American Jews; the designation of Thurgood Marshall was the same for blacks. The just claim of women to a more equal role thus finds a fit cause for satisfaction in the nomination of Judge O'Connor to the highest tribunal in the land.

Reagan did not exactly promise that he would name a woman to the court. But he did commit himself in the campaign to fill "one of the first Supreme Court vacancies" by "the most qualified woman I can possibly find." Naming a man at this time, however meritorious he were, would have looked like the first step in a breach of trust.

Trust is perhaps the single most important bond between the leader and the led in modern society. The complexity of affairs has made it well-nigh impossible for most of us to make confident judgments about the working of government. The best we can hope to achieve is a

though a majority, has backed and filled and chopped and changed and set down no clear guidelines. A typical example was Stewart's famous — and to my mind wrongly praised — remark about photography: "I know it when I see it."

Nobody can assess how new justices will interact with a sitting court, but everything known about O'Connor tilts her toward the center. She is not identified with any ideological grouping. She has moved on the margin on such matters as abortion and the Equal Rights Amendment. A Republican, she was named to the Arizona Appeals Court by a Democratic governor. She had had experience in the building of majorities and the art of compromise as a leader in Arizona's Senate.

Whether O'Connor will be able to galvanize the center of the court and find a rationale for what often seems arbitrary and a tongue for ideas that remain mute is very much in doubt. She lacks experience in the federal system. "Bright" and "crisp" are the words used about her by her friends — not "deep" or "thoughtful." But the opportunity is there, and plenty of time for learning and reflection. At the very least, it is hard to see how O'Connor can do harm to an institution that is precious in no small measure because it is reversed.

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## The Arguments for Looking Again at the B-1 Bomber

By John Newhouse

The writer was an assistant director of the Arms Control and Disarmament Agency from 1977 to 1979. He wrote this article for The Washington Post.

WASHINGTON — The B-1 bomber has returned to agree the weapons selection process of another administration. Heavy bombers are expensive, even compared with most other strategic weapons. Compared with all others, they are even more expensive to operate.

And the B-1, of course, has a rival — the higher-technology Stealth bomber, about which much has been heard but little is known. We can assume that it will not be available before the end of the decade, and many of us suspect that its debut lies at least another few years beyond that. The choice, it seems, is whether to shelve the B-1 again and concentrate on Stealth, or to proceed with both. A variant of doing both would be to develop something cheaper and less capable than the original B-1.

I hope President Reagan decides to proceed with the B-1, or a variant. Bombers have many virtues. A bomber force, unlike nuclear armed missiles, could be recalled from a rendezvous with history.

Bombers, because they are slow as well as recallable, are unambiguously second-strike weapons. At a time when each of the great military powers is expanding its presumed capability to knock out components of the other's weaponry — and some of that in a lightning first strike — the United States would profit from a decision to bolster the heavy bomber force, and sooner rather than later.

Everyone, including the other side, would see that the United States was keeping modern the one part of the triad of strategic forces that is least likely to acquire some pre-emptive, disarming capability. Given the importance of perceptions, it would be a useful signal to send. The heavy bombers also represent

the one area of strategic weapons in which the U.S. lead over the Soviet Union is clear and broad. That advantage should be sustained.

There are other attributes in favor of the bomber, not least its versatility. The weapons a carrier vessel wants to use, and is least likely to use, are nuclear bombs and warheads. Bombers, of course, can deliver conventional weapons in regional conflicts, a possibility that may on occasion be used to political advantage. A more modest version of the B-1 could be useful in the European theater, especially if NATO's decision to strengthen theater nuclear forces were to collapse under the heavy political

burden it carries in an environment bereft of SALT.

Although the costs are sobering, a new bomber would have no political liabilities. Almost any new strategic system, or basing platform, will generate heavy costs, some of which may be political as well as financial. Take the land-mobile MX: The administrations of Johnson, Nixon, Ford, Carter and now Reagan have groped for some sensible and acceptable method of making land-based ICBMs less vulnerable than they are judged to be in silos. The list of candidate methods is long and not very distinguished.

Over the years, there have been more variants of the multiple silo-attempts to improve human rights and bring about social reforms.

What also needs to be said about the Soviet Union's reduction to satellite status of half a dozen other Russian neighbor states — let alone the African and other former colonial territories now totally dominated by stooge governments kept in office only by the guns of Cuban mercenaries and East German "advisers?"

Sir FREDERICK BENNETT, House of Commons, London.

The U.S. expression of concern over French Communist ministers and the U.S. pressure on Italy is "meddling," says Mr. Vladimirov. But the invasions of Hungary, Czechoslovakia and Afghanistan? And the current threats to Poland? We Europeans are more afraid of the Soviet tanks and missiles pointed at us than of any concern or pressure from America.

## A By-Election Tests Britain's New Party

By Anthony Lewis

WARRINGTON, England — Roy Jenkins stood in the back of an open Land-Rover, and the Social Democratic campaign caravan set off. To get the voters' attention, a loudspeaker played brass music: Aaron Copland's "Fanfare for the Common Man." The irony, unintended, could not have been more perfect.

Here was Roy Jenkins, former president of the European Commission, former chancellor of the Exchequer and home secretary, former deputy leader of the Labor Party, looking for votes in the small row houses and rose gardens of the working-class town in the north of England.

But what Jenkins has done in preparation for a by-election being held today in Warrington is no joke and no small thing. He is running the new Social Democratic Party's first race for a seat in Parliament. At a time of profound social and political strains in Britain, his showing could indicate whether there is a chance for the party's resignation that has been talked about for so long.

In an attractive new market area he greeted Shirley Common, 45. She asked him about the riots that have swept British cities in recent days — bad ones barely 15 miles east and west of Warrington in Manchester and Liverpool. His answer pleased her: Act to reduce unemployment, but also come down hard on wanton rioters.

**Labor Area**

"I don't think I shall vote Conservative this time," Mrs. Common said, "and I know I shan't vote Labor." That pointed to a vote for Jenkins. Mrs. Common smiled.

Her husband Peter came along, agreeing. "We need a third party," he said. "We have only the extremes now."

That encounter, and others like it on the day I watched the campaign, were good news for Jenkins — but with a big catch. He is getting a lot of votes from Conservatives such as Mr. and Mrs. Common. But this is an overwhelming Labor area, and Labor switches are not so plentiful.

In the general election in 1979, Labor got 61 percent of the Warrington vote, making this one of its safest seats in the country. The district at stake is in the older part of town, where many people are conservative in outlook but vote Labor for reasons of tradition. Not to be Labor is socially awkward.

What Jenkins is trying to get across is that he and other moderates have left the Labor Party because it has drastically changed its character. It is being taken over more and more by the extreme left. One of the left factions, a Trotskyite group known as the Militant Tendency, is noticeably active in this area.

The Labor candidate in Warrington, Douglas Hoyle, is a former member of Parliament who is very much on the left. He is for unilateral disarmament and against British membership in the Common Market. In 1975 he wrote a testimonial for the Communist

daily, the Morning Star, calling the newspaper "invaluable." But Hoyle has submerged his ideology for the campaign, refusing to answer press questions about his position in the divided Labor Party. He talks about his economic policy — "a massive dose of public works," protection of British industry from imports, exchange controls. Mostly he has stayed quiet, evidently hoping to keep the voters unfrayed and to turn out the Labor faithful as usual.

**The Riots**

Cracking the ticket is difficult for Jenkins and the Social Democrats because there is no ready way to send a message about Hoyle's real views through the mass media. Political advertising is not allowed on television or radio. The national press gives only modest coverage to a campaign in just one district. And somehow the Labor voters of Warrington seem very remote from the national ideological struggle in the party.

What Jenkins has had to do, and has been doing for four weeks now, is to walk around Warrington and try to say a few words to as many of the district's 40,000 voters as possible. A surprising number are responsive, even taking the party's badges. A few treat Jenkins as a class or party traitor, like the woman who complained about his pension from the Common Market — "£280 a week, and he's for the working class!"

The biggest issue, to the extent that anything gets past the solid local voting tradition, is unemployment. Warrington has been a prosperous town, making shoes, chemicals and beer, but in the last year the recession brought on by Prime Minister Margaret Thatcher's economic policy has reached home: Local unemployment is up to nearly 15 percent.

In the last week the riots have figured strongly in voters' questions to Jenkins. While the Labor left seemed to condone rioting and Thatcher talked only about law and order, Jenkins stood for what could be called the tough centrist position: "I am equally opposed to those who excuse everything on the grounds of deprivation and to those who through stubbornness and lack of understanding ignore the dangers of festering inner-city areas."

**If Jenkins polled 30%, he would send shock waves through Britain.**

Can Jenkins win? Virtually no one thinks so. But if he gets as much as 30 percent of the vote in this northern working-class district, he would send shock waves through British politics. Statisticians say that would be the equivalent of 37 percent in the country as a whole, enough for the Social Democrats to finish first in a three-party race. And Roy Jenkins would have succeeded in changing his image from European grandee to British political fighter.

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LAST KISS — A young woman gives a passionate goodbye kiss at the Zurich barracks to one of 16,000 Swiss men who were called up to report for 17 weeks of basic military training.

### Mansfield Finds U.S.-Japanese Relations Improving, Says Defense Is the Key Issue

By Henry Kamm  
New York Times Service  
TOKYO — Admitting to having been concerned and perturbed over the course of Japanese-American relations, U.S. Ambassador Mike Mansfield said in an interview here that he believes the relationship is now "over the hump."  
"The big issue is, of course, defense," the 78-year-old former U.S. Senate majority leader said. "I believe Japan is more aware of the international situation and in the future will make every effort to increase its defense expenditures."  
Joji Omura, the director-general of Japan's Defense Agency, added weight to Mr. Mansfield's view with a declaration Tuesday after a Cabinet meeting that it is urgent for Japan to improve its defense capacity. Reporting on a visit to the United States earlier this month, Mr. Omura said his talks with U.S. Defense Secretary

### U.S. Hearings Under Way On Wartime Internment

New York Times Service  
WASHINGTON — Nearly 40 years after the internment of more than 110,000 Japanese-Americans, a federal commission is conducting hearings to decide what compensation, if any, is due the camp internees and their families.  
"It is a sad and nationally humiliating story," said Abe Fortas, the former Supreme Court justice, before the Commission on Wartime Relocation and Internment of Civilians. "I believe the mass evacuation of those of Japanese ancestry and their prolonged detention was a tragic error, and I cannot escape the conclusion that racial prejudice was a basic ingredient."  
In the first of a series of hearings to be held across the United States, the commission, created by Congress last year, heard testimony Tuesday from senators and representatives, as well as from Mr. Fortas, who served as an Interior Department undersecretary during World War II. Former government officials involved in the internment program were also on the witness list.  
If the nine-member commission concludes that the detention of Japanese-Americans was unjust, it can recommend compensation.

Reparation Sought  
John Tateishi, a spokesman for the Japanese-American Citizens League, said his group would urge the commission to approve financial reparation, totaling "perhaps billions of dollars," for the estimated 80,000 surviving camp internees and their families.  
In February, 1942, President Franklin D. Roosevelt approved the relocation of West Coast Japanese-Americans to the government's so-called "reception centers" — wooden Army barracks controlled by armed military personnel. The Japanese-Americans, many of whom were held more than two years, were forced to abandon homes and businesses. They took to the camps only what they could carry.  
A Justice Department official who was involved in the relocation program testified that Roosevelt's action was the result of "hysteria and fear" following the Japanese

Ex-Member of Junta Jailed in Argentina  
United Press International  
BUENOS AIRES — Emilio Massera, a former Argentine junta member who has been a harsh critic of the present economic policy, has been arrested and ordered detained for 10 days at a naval base.  
"Mr. Massera, a former commander of Argentina's navy, was arrested Tuesday by the present navy commander, Admiral Lanusse," said a spokesman. The arrest, which appeared to be a warning, had been requested by the army commander, Fortunato Galpieri, a junta member who has been a target of Mr. Massera's recent criticism.

DEATH NOTICE  
Dr. HANS ADLER, died in Switzerland July 4, 1981. Former managing director of Adler and Oppenheimer leather company, founder of the order of Leopold and officer of the Belgian Crown Order, beloved husband of Elise Feisel, devoted father of Madeline, Genevieve, Dorothy, Benoit, and Jacqueline Wagner, loving grandfather of Andrew, Vicky and Alexandra Conway, and Ann-Bonnie. Burial at Strasbourg, France.

### China Warns On Taiwan's Moscow Ties

Peking Reported To Caution Haig

The Associated Press  
PEKING — Chinese officials told U.S. Secretary of State Alexander M. Haig Jr. that China would use military force if Taiwan seeks support from the Soviet Union, Chinese sources said Wednesday.

The sources, who were informed about the high-level talks during Mr. Haig's visit last month to Peking, asked not to be identified. China has said it would not relate to Taiwan seeking a relationship with its rival, the Soviet Union. It was not known, however, exactly what action China would take under the circumstances.

Peaceful Intentions  
The sources said that Mr. Haig and Chinese leaders discussed U.S. arms sales to Taiwan as a problem. They agreed, however, that their fundamental interest lies in developing the strategic relationship between China and the United States to oppose Soviet aggression.

Mr. Haig was told that Taiwan is Chinese territory, the Chinese sources said. As a matter of principle, China cannot promise the United States not to use force to recover its territory. The sources said China assured Mr. Haig it wants peaceful reunification of the island and mainland.  
Taiwan has had no official relations with the mainland since the Nationalist fled to the island in 1949 in the wake of a Communist takeover on the mainland. The island regime steadfastly refuses to talk with the Peking government.

Sharing of Technology  
Despite his generally optimistic comments, Mr. Mansfield would only say he hoped that "we'll be able to get the 7.5 percent next year which has been announced" in increased Japanese military spending. He said he believes this to be the "limit we can expect" and added, "if we get that we'll be doing quite well." Despite the fact that Japan ranks eighth in the world in absolute terms in military spending, the nation spends less than 1 percent of its gross national product on its armed forces. By contrast, the United States is spending 5.2 percent of its gross national product for military purposes.

The U.S. ambassador expressed optimism that a controversial American request for Japanese sharing of technology with the United States under the agreement on mutual defense would be satisfactorily worked out within the year. An American diplomat remarked that the expected exchange has been a one-way street so far. Japan argues that sharing such technology would be counter to its policy of not exporting arms.

Although Mr. Mansfield was a Democrat in the Senate and an appointee of former President Jimmy Carter, he had praise for President Reagan. "This administration wants to conduct negotiations more politely and not make statements that could be considered threatening or demanding or pressuring," Mr. Mansfield said. He noted further that Mr. Reagan's policy was not to emphasize specific numerical targets in military spending. "They are more interested in the substance," he said.  
But he said that Japan felt badly let down when Mr. Reagan lifted the grain embargo against the Soviet Union without consultation. Japan lost lucrative Soviet contracts to France and West Germany as a result of American requests for anti-Soviet measures in response to the intervention in Afghanistan.

### Former Bokassa Aide Gets a 15-Year Term

The Associated Press  
BANGUI, Central African Republic — A court here has sentenced a former Cabinet minister, Louis Alazoula, to a 15-year prison term for crimes committed during the rule of Jean Bedel Bokassa, who was overthrown as emperor in 1979.  
Mr. Alazoula was convicted on charges of making arbitrary arrests and imprisonments, death threats, attacks against individual liberties and abuse of official power. He had been accused of arresting 67 persons illegally between 1971 and 1975.

### Smith's Candidate Wins Zimbabwe Vote

By Jay Ross  
Washington Post Service  
SALISBURY — The Republican Front party of Ian Smith, the former prime minister, has won an election for a parliamentary seat reserved for whites, defeating a white splinter party that had campaigned on a platform of increased cooperation with the government.  
The government of Prime Minister Robert Mugabe had closely followed this and an earlier election as an indication of the attitude of whites toward its policy of reconciliation.

### Ghanaian Tribes Announce Pact To End Clashes

ACCRA, Ghana — Leaders of two tribes in northern Ghana announced an agreement Wednesday to end four months of clashes that have caused more than 1,000 deaths and have devastated crops and villages.  
The pact was announced after Ghanaian President Hilla Limann visited the area and held talks with both the Konkomba and Nantumbi tribes, the Ghana News Agency said. The region has officially been declared a disaster area, and the air force has flown in emergency supplies.  
The Konkombas had argued they were being suppressed by Nantumbis, who in turn said their customs and traditions were not being respected. Local reports said the trouble started with a dispute between youths from the two tribes over a girl. The president has promised an investigation into the troubles.

A Konkomba elder, Nana Nandji, said his people had forgotten about the conflict, and he pledged to resettle displaced Nantumbis. A spokesman for the Nantumbi tribe also assured President Limann that the trouble was over.

### Decor — Oliver Ford: A Cushion of Elegance

B. Willa Perschek  
International Herald Tribune  
LONDON — "I sometimes wonder," said Oliver Ford, "if clients think I have an aerosol on top of my head and I just have to press a button and a complete design scheme comes rushing out of my mouth."

Ford was sitting in his London office. Here was the decorator to Her Majesty the Queen Mother Elizabeth and the advisor to Blenheim Palace (residence of the Duke of Marlborough) in an office that resembles a Bedouin campsite. But that, Ford pointed out, is because he is rarely in it. Just back for two days from a job on a stately home in the north of England, Off to superintend the refurbishing of a villa in Monte Carlo. On to Rome to oversee an apartment, and from there by Concord to Singapore.

Ford found his vocation haphazardly. His first interest was stage design and he took a job as a stagehand at the Royal Opera House in Covent Garden to learn how things worked. He decided he was in the wrong business, so he studied the decorative arts and the history of architecture and took off for Paris to work in 18th-century decor at Jansen's. When Jansen opened a branch in London, Ford became managing director.

By 1959 he was determined to branch out on his own. He flew to the Bahamas, where the prospect of bankruptcy under sunny skies seemed less daunting. "His first job there was for a couple who commissioned him to cover two cushions." "They were as successful as two cushions can be. I mean, they weren't about to be bought by the Victoria and Al-

bert or anything." Friends passed him on from house to house, and Ford was up and away.  
Back in England, he soon became a hallmark, his name known in a world where the tradition of elegance is still taken for granted. Ford recalled the first house he ever decorated in England. "It had a big kitchen with a very high ceiling and I said to the client, 'You've got to paint the ceiling red because it will give warmth to this ghastly kitchen,' and it did have that effect except that everything was stainless steel and when they switched on the lights at night, every drop of water they splashed and all the water in the sink turned bright red and it looked as though they were washing in blood."  
Ford does not turn down requests for modern rooms, "though I always make it clear to clients that I'm not a decorator who likes pressing buttons and beads come out of the wall."

One of the hardest things to decorate, he said, is a drawing room with a grand piano. "I had a client in Belgrave Square and several times a year she'd ring me and say she wanted to change the drawing room around and I'd go over and try to rearrange the furniture around the grand piano. I had that piano in every conceivable position, including standing up like a harp."  
"Then one day the client asked me round and there was no grand piano. The room just fell into shape. It looked absolutely marvelous. That evening I dined with her sister-in-law, whose house I was also decorating, and there in the drawing room was the grand piano."  
"I've always thought a grand

piano should be stuck outside the house, the way Americans do with their air conditioners, and with just the keyboard inside. I think it would be tremendous fun walking around Grosvenor Square to see a dozen pianos stuck outside."

State Banquets  
In addition to designs for private clients, Ford has done a number of state banquets for heads of foreign governments who give banquets in return for those given them by the queen. Talking about his work for the banquet given by King Hussein of Jordan for Queen Elizabeth II at London's Dorchester Hotel several years ago, Ford said:  
"When you are taking over a large ballroom used by everyone, the heads of government want the whole thing changed to a sympathetic setting for themselves. For King Hussein, who actually flew over his own hand for the occasion, I encased the walls of the ballroom in green and white silk."  
"The principal guests sat in an Arabian Nights terrace with a golden canopy over their heads. I did a 65-foot lily pond filled with goldfish down the center of the ballroom. The pond contained thousands of gallons of water and my only worry was, it might leak in the middle of the banquet. The only thing that slightly spoiled it from my point of view was that at one end of the lily pond was a lovely screen behind which Hussein's band was playing 'Bluebells of Scotland,' which I didn't think very suitable for the occasion."  
There are some special assign-

ments he would like to undertake, including the setting of a historical series for television and a gala at Covent Garden. "But if I dropped dead tomorrow, I'm satisfied with what I've done with my life. The way I feel now, I'm doing to drop dead before tea. Have you had tea, by the way?"  
Ford, whose own surroundings are an advertisement for his decorating skill, lives in a 15th-century fortified manor house in Wiltshire. "The house was described by Country Life magazine as 'a very interesting medieval house built circa 15th century, unfortunately modernized in the 17th century.'"  
Though decorating is great fun, he said, it is also one of the hardest jobs in the world: "I'm a father confessor, a universal aunt, a protector and a huffer."

### The London Stage

### RSC's 'Troilus' Rubs Shakespeare the Wrong Way

By Sheridan Morley  
International Herald Tribune  
LONDON — The first Shakespeare production by the Royal Shakespeare Company to premiere at the Aldwych rather than Stratford in many years is Terry Hands' "Troilus and Cressida," an evening of curious comic-opera insecurity that suggests that the director early in rehearsal lost all confidence in the script and decided to go for the jokes.  
True, "Troilus" is a pretty terrible little play with a totally broken-backed plot structure and an inability to resolve itself in any of its many directions, but in it are some quite good sequences, which go for nothing when played by a cast that, at least on the first night, behaved as if they were doing a special matinee for foreign schoolchildren on a hot afternoon and were accordingly terrified of losing audience attention.  
The result was a kind of demented period pantomime in which the cynicism of this darkest of all Shakespeare's war plays goes for nothing. The casting of Joe Melia as Thersites suggests that Hands is after another "Oh What a Lovely War" but what he in fact has is a company frankly unable to handle the verse and even more often unable to relate to each other.  
One of two performances, notably David Suchet's sumo-wrestler Achilles and Oliver Ford Davies' tortoise-like Nestor, have a life and a logic of their own, but in what is otherwise a distinctly B team of character actors neither James Hazeldine nor Carol Royle in the title roles can do much more than stand around looking bemused on the shaggy black bedspread that passes for a set. And it would be nice to know why Helen of Troy is played as an impression of Zsa Zsa Gabor.

### Music — A Vintage Gluck Opera Is Uncorked

By David Stevens  
International Herald Tribune  
SPOLETO, Italy — One of the specialties of the Festival of Two Worlds since its inception 23 years ago has been the revival of little-known operas by well-known composers, the case in point this year being "L'ivrogne corrigé," a French comic opera by Gluck, who is better known for sterner stuff.  
In the mid-18th century French theater and opera comique were in vogue at court in Vienna, and beginning in the late 1750s Gluck partly or fully set a number of texts by Favart, Anseaume, Sedaine and others. By that time he was a thoroughly schooled theater composer, especially in the setting of Metastasio's opera seria texts, but the great "reform" operas by which he is known today were still around the corner.  
Anseaume's text for "L'ivrogne corrigé," which had already been set by another composer in Paris before being outfitted for Vienna consumption by Gluck, is based on a La Fontaine fable. The drunkard of the title is made to believe he is dead instead of dead drunk and is persuaded to mend his ways, at least temporarily, by a mock funeral and trial in the underworld. A subsidiary plot is that of the drunkard's daughter and her actor-boyfriend, who plays the role of Pluto in the underworld scene and extracts her from her father's plan to marry her to his loyal drinking buddy.

### Publishing — Guernsey Phenomenon

By Edwin McDowell  
New York Times Service  
NEW YORK — One of this season's publishing surprises is a novel written by a British civil servant who died in 1976 at the age of 80 after having failed to get the book published in his lifetime.  
The novel, "The Book of Ebenezer Le Page," was begun in the 1960s by G.B. Edwards. It is a story told by a bandy-legged, crotchety old bachelor who inveighs against any signs of change on the Channel Island of Guernsey, where he has lived his entire life. The book is written in a variant of the English patois common to Guernsey, a British possession 30 miles (48 kilometers) west of France's Normandy coast.  
The novel has sold almost 10,000 copies in two printings since it was published in April, and has received glowing reviews. It had "a very gratifying" sale of paperback rights to Avon Books, according to Robert A. Gottlieb, president of Alfred A. Knopf Inc.  
"You don't assume that a posthumous novel about the Channel Islands told largely in dialect is going to find a wide readership in America," Gottlieb said. "But the book evokes a very strong personal response in a lot of people." He described its publication as "an act of love."  
The book was brought to the attention of Knopf by the British publishing company Hamish Hamilton Ltd. "When one of our editors passed it to me with a strong recommendation, I thought it was one of the most remarkable scripts I'd ever read," Christopher Sinclair-Stevenson, managing director of Hamish Hamilton, said in a telephone interview from London. "Publishers say that every day of the week, but in this case it was true. I couldn't think of another book like it."  
But because the author was not only unknown but also dead, and because the book had a theme that was parochial on the surface, Sinclair-Stevenson decided to see if he could interest the novelist John Fowles in giving it his imprimatur. "I never met him, but I am a great admirer of his books," the editor said of Fowles. "So I took my courage in my two hands and sent him the script and asked him please to have a look at it. He was so enthusiastic that he not only wrote the introduction, but he wrote the chapter on Guernsey English and the glossary in the back of the book."  
Edwards left his native Guernsey permanently in about 1926. During the 1930s he apparently wrote plays for a British repertory company and went to the Netherlands and Switzerland to write. But none of his earlier works remain, and, according to Fowles, Edwards told his landlady that he had destroyed much of his best work, including a "very good play."  
"A reviewer for The Observer asked whether Edwards ever existed, or whether the book was written by Fowles under a pseudonym," Sinclair-Stevenson said. "But a number of people in the Channel Islands have since said they knew him, and some have come up with photographs of Edwards, so we have proof that he existed. We never had any doubts about the author, because the book is so peculiar that it would take a very curious talent to fabricate it."



Designer Ford: Pianos, ugh.

ments he would like to undertake, including the setting of a historical series for television and a gala at Covent Garden. "But if I dropped dead tomorrow, I'm satisfied with what I've done with my life. The way I feel now, I'm doing to drop dead before tea. Have you had tea, by the way?"  
Ford, whose own surroundings are an advertisement for his decorating skill, lives in a 15th-century fortified manor house in Wiltshire. "The house was described by Country Life magazine as 'a very interesting medieval house built circa 15th century, unfortunately modernized in the 17th century.'"  
Though decorating is great fun, he said, it is also one of the hardest jobs in the world: "I'm a father confessor, a universal aunt, a protector and a huffer."



BUSINESS NEWS BRIEFS

Veba Seeking Metallgesellschaft Stake

DUESSELDORF, West Germany — Veba, the West German energy group, is seeking to purchase an interest in Metallgesellschaft, the metals, chemical and engineering company, from shares held by Dresdner Bank, spokesman for Veba and Metallgesellschaft said Wednesday.

Norway's Statoil Reports North Sea Gas Find

STOCKHOLM — Statoil, the Norwegian state oil company, said Wednesday it found reserves of natural gas in the Sleipner area of the continental shelf, southwest of Stavanger.

Honda Net Up in Dollars, Down in Yen

TOKYO — Honda Motor reported Wednesday that its consolidated net income for the first quarter fell 47.3 percent in dollar terms but rose 47 percent in yen terms.

GE to Develop Reactor With 8 Japan Firms

TOKYO — General Electric Co. said Wednesday that it and eight Japanese companies have agreed to test and develop an advanced boiling water nuclear reactor, or ABWR.

Prudential Realty Bid Tops U.K. Miners' Offer

By Thomas C. Hayes New York Times Service NEW YORK — Prudential Insurance Co. of America said Tuesday night that it had agreed to acquire Connecticut General Mortgage & Realty Investment Trust for \$340 million in cash.

U.S. Upset By Drop in Oil Stocks

WASHINGTON — High interest rates are causing an erosion of oil inventories that some Reagan administration energy experts fear could leave the United States vulnerable to a sudden interruption of foreign oil supplies.

Interest Rate Rise Cited in Storage Cut

By Judith Miller New York Times Service WASHINGTON — High interest rates are causing an erosion of oil inventories that some Reagan administration energy experts fear could leave the United States vulnerable to a sudden interruption of foreign oil supplies.

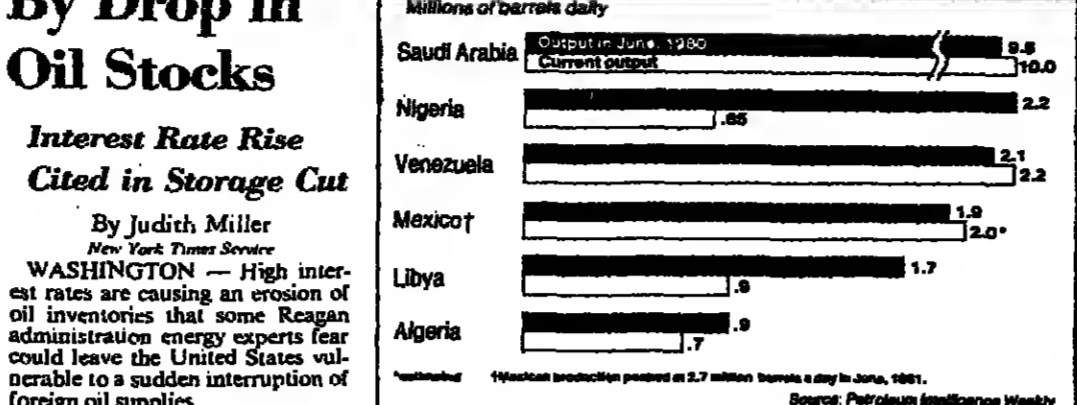
Reagan Expected to Offer Tax Breaks for Exports

WASHINGTON — The Reagan administration is putting together a plan that could give U.S. companies with export operations tax breaks totaling as much as \$2.8 billion a year by eliminating all income taxes on export transactions channeled through such affiliates.

Mexico Claims Oil Firms Will Pay New Price

MEXICO CITY — Mexico says its top oil clients in the United States, Europe and Asia have indicated they will buy Mexican oil despite Mexico's announcement that a planned price cut has been halved to \$2 from \$4.

The Leading Oil Exporters' Changing Production Patterns



Production in millions of barrels per day. Source: Petroleum Intelligence Weekly

Oil production in the world oil market, State Department, Energy Department and National Security Council officials who monitor stocks have expressed concern that oil companies are drawing down stocks at a time when inventories are usually being increased.

According to Lawrence Goldstein, director of research at the Petroleum Industry Research Foundation, a nonprofit New York-based research group, oil inventories in major industrialized democracies are being drawn down in July at a rate of 500,000 to 1 million barrels a day, a decline that he termed "unprecedented" for this time of year.

Mr. Goldstein and government energy officials attribute the drawdowns in large part to high interest rates, which are now above 20 percent. "Given the current market, it's not reasonable for companies to hold large stocks, since it costs between 50 and 60 cents a month per barrel to finance the holding of the inventories," Mr. Goldstein said.

Another reason the reduction of stocks has been accelerated is because of uncertainty about demand for oil next winter, according to government officials. A State Department analyst noted that some companies have higher-than-usual inventories of winter oil, but demand was lower than anticipated.

Production within OPEC, except for Saudi Arabia, is plummeting, in some cases by as much as 50 percent. Among others, Nigeria, Libya, the United Arab Emirates, Venezuela and Mexico are producing at levels far below their capacity. Consequently, company executives believe that they can afford to draw down inventories, because suppliers would increase production if demand for oil increased.

Another reason the reduction of stocks has been accelerated is because of uncertainty about demand for oil next winter, according to government officials. A State Department analyst noted that some companies have higher-than-usual inventories of winter oil, but demand was lower than anticipated.

U.S. Aide Vows Close Look at Mergers

By Robert E. Taylor AP-Dow Jones WASHINGTON — Executives who think the Reagan administration has flashed a green light for large mergers better think again, says the head of the Justice Department's antitrust division.

Assistant Attorney General William Baxter said, "We may find there are very substantial horizontal overlaps" between big companies currently talking about merging. Companies are said to overlap horizontally when they sell competing products in the same market.

Mr. Baxter said he will change the department's guidelines to allow mergers to produce somewhat higher levels of market concentration than were permitted by previous enforcement chiefs. Antitrust attorneys say a Mobil-Conoco merger would present the first big test of where Mr. Baxter would draw the line against large mergers between competitors.

The Reagan administration has encouraged big business to expect less hostility from antitrust enforcers than in the past. Attorney General William French Smith said in a recent speech that niggles in business "doesn't necessarily mean badness."

Swiss Trade Deficit

BERNE — Switzerland's trade deficit widened in June to 723.4 million Swiss francs (\$346 million) from 479.1 million francs in May, the federal customs office said Wednesday. The deficit in June 1980 totaled 683.4 million Swiss francs.

CURRENCY RATES

Table with columns for Currency, Rate, and Dollar Values. Includes interbank exchange rates for July 15, 1981, and dollar values for various currencies.

NYSE Prices Gain On Merger Activity

NEW YORK — Prices on the New York Stock Exchange closed higher Wednesday, with most strength coming from natural resource stocks involved in merger speculation.

Analysts said the market was also supported by investor feelings that interest rates may soon start down, but these attitudes lacked strong conviction. The Dow Jones industrial average gained more than 7 points in an early afternoon rally and closed at around 954.15, a gain of 5.90.

The federal funds rate, the interest on overnight loans banks make to each other, traded at around 16 1/2 percent of the day but then moved up to around 19 in late afternoon.

Investors were somewhat encouraged that Chase Manhattan, Manufacturers Hanover and Chemical banks late Tuesday lowered the rate they charge brokers for loans, and that the small Southwest Bank of St. Louis lowered its prime rate a half point to 20 percent.

Meanwhile, the Treasury said it will raise \$1.63 billion of new cash by selling \$4.5 billion of two-year notes at an auction next Wednesday.

In the news background, the administration, in a midyear review, said it expects consumer prices to rise 9.9 percent this year, compared with 13.5 percent in 1980. Much of the review had been reported earlier in the week.

The major strength in the stock market was provided by what one analyst called "merger mania."

OPEC Ministers Meet

KUWAIT (Reuters) — At least three, and probably four OPEC oil ministers have scheduled to meet informally in Taif, Saudi Arabia, Wednesday, Gulf oil sources said.

Saudi Oil Minister Sheikh Ahmed Zaki Yamani is to be joined by Kuwaiti minister Ali Khalifa al-Sabah, the United Arab Emirates' Mana Said al-Oteiba and probably the oil minister of either Algeria or Libya, they said.

Earnings Estimates for IBM Cut Back

NEW YORK — If Wall Street followers of International Business Machines are correct, investors in search of super performers should avoid the computer giant, at least in the near term.

Such sentiment among analysts was provoked by IBM's second quarter results, showing a slim 5.3 percent profit gain on a 12-percent increase in revenue. The results were "within expectations," but the numbers nonetheless triggered scaling back of earnings estimates by some analysts.

"I'm now concerned with what the third and fourth quarters are likely to bring, and I wouldn't be in a hurry to buy IBM stock at this point," warns Ulrich Vieh, vice president at Morgan Stanley & Co.

"You would have to view those earnings as fairly lackluster. They weren't bad, but they weren't exciting, either," says Stephen T. McClellan, who tracks IBM for Salomon Brothers. "You'd have to wait until next year before any excitement is generated, because the second half won't be very good."

With IBM reporting that second quarter per-share earnings rose to \$1.37 from the year-earlier \$1.31, its revenue grew to \$6.9 billion from \$6.18 billion, most analysts expect to see flat 1981 earnings.

The earnings also appeared better because outright sales were stronger than revenue derived from computer rental services, notes Harry Edelson, president of Edelson Technology Inc. He explains that revenue from sales of computers "goes down directly to the bottom line, but revenue from rentals tends to be staggered over a period of time."

Analysts note IBM's second quarter performance, helped greatly by record sales of data-processing equipment, raises the question of whether such high levels can be repeated in the next two quarters.

"You can't extrapolate on such numbers in the same way you can about revenue from rentals, which represent a continuing stream of income," says Mr. Weil. Analysts believe the very high level of sales hurt the growth of revenue from rentals. Data processing sales accounted for 74 percent of total sales, estimates Mr. Weil. With data-processing sales very high

U.S. Output Of Industry Down 0.1%

WASHINGTON — U.S. industrial production declined 0.1 percent in June, the Federal Reserve Board reported Wednesday.

The decline continued the lackluster economic performance of the past five months. Production fell 0.1 percent in February, rose 0.5 percent in March, remained flat in April and rose 0.4 percent in May.

The administration and most private economists have forecast little or no economic growth in the second quarter, which ended in June, after the economy expanded at a robust annual rate of 8.6 percent in the first quarter.

"We anticipate a 'spongy' economy over the near term, with the unemployment rate likely to rise somewhat in the months ahead," said Murray Weidenbaum, chairman of the Council of Economic Advisers.

He said he does not see a recession coming, although "we are in a period where the economy is not growing."

In June, the Fed report said, output of consumer goods declined 0.3 percent as "a rise in auto production was more than offset by decreases in the output of home goods such as appliances and non-durable consumer goods — particularly food and other staples."

In the still-troubled auto industry, "autos were assembled at an annual rate of 7.4 million units, 1.4 percent above May," the report said.

Also on the plus side, "there was a post-strike rebound in coal production and moderate increases in other energy materials," it said. "In addition, utility output advanced strongly because of a greater-than-seasonal surge in electricity generation," the report said.

Manufacturing industries' production fell 0.5 percent. Overall output of products in June was 7.9 percent above the recession-affected level of one year earlier and up 0.7 percent from the first of this year.

Mexico Claims Oil Firms Will Pay New Price

MEXICO CITY — Mexico says its top oil clients in the United States, Europe and Asia have indicated they will buy Mexican oil despite Mexico's announcement that a planned price cut has been halved to \$2 from \$4.

Pemex, the state-owned oil company, in a statement Tuesday said it expected its oil exports to climb back to 1 million barrels a day next month with renewed purchases by foreign oil companies. The announcement apparently was aimed at easing fears the sudden drop in oil exports could trigger an economic crisis.

The Pemex statement said Shell, Exxon, Marathon Oil, Union Oil and Atlantic Richfield had joined state-owned companies in Spain, Canada, Brazil, Japan and France in giving "positive reactions" to resume purchases of Pemex crude.

Pemex spokesman Miguel Tommasini cautioned the announcement does not mean those firms have already agreed to a \$2-per-barrel, instead of \$4-a-barrel, reduction, only that Pemex is optimistic about the outcome of continuing negotiations.

Advertisement for Hitachi Credit Corporation. Includes text: "These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only." "NEW ISSUE" "U.S. \$40,000,000" "5% Convertible Bonds Due 1996". Lists various financial institutions like Nomura International Limited, Baring Brothers & Co., etc.

# NYSE Nationwide Trading Closing Prices July 15

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock High Low Div. In % Yld. P/E 1981 High Low	12 Month Stock High Low Div. In % Yld. P/E 1981 High Low	12 Month Stock High Low Div. In % Yld. P/E 1981 High Low	12 Month Stock High Low Div. In % Yld. P/E 1981 High Low
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(Continued on Page 10)

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سكوا من الال



China Sharply Expands Rare Metals Sales S&Ls Seen U.S. to Oppose World Bank Unit

By Michael Parks Los Angeles Times Service PEKING — China, moving rapidly to increase exports of strategic rare metals used in the aerospace, defense and electronics industries, said this week it had signed contracts totaling more than \$290 million in the first six months of this year, more than 1980's total for such metals.

Peking sees the increased rare metal exports as a major way to help finance the imported machinery needed for industrial modernization and as an important means of cementing strategic ties with the West. Chinese officials recalled that, when the United States first agreed a year and a half ago to sell China technology with both civilian and military uses and limited defense equipment, the Carter administration suggested that Peking in return increase its exports of rare metals used in the manufacture of aircraft, weapons, electronics and nuclear plants.

China's exports of titanium, widely used in the manufacture of aircraft and missiles, will probably exceed 2,000 tons, according to Western sources here. The United States buys 80 percent of China's titanium production. Over the past 18 months, China has become a major supplier of the West's imports of molybdenum, cadmium, chromium and strontium, providing about 10 percent of total imports of these metals from the non-Communist world, according to Western sources.

At the Canton trade fair this spring, large quantities of a variety of other rare metals — lithium, selenium, beryllium, and manganese among them — were offered with Chinese trade officials reportedly saying that the selection would be broadened this year. Chinese geologists believe that China may have four to five times the commercially exploitable reserves of many rare earths as the rest of the world. China, in fact, boasts that it has all but 10 of the world's minerals in commercial-sized deposits, but some are so remote that they will not be developed for decades and may require foreign assistance.

WASHINGTON — In the grimest government assessment to date of the troubled savings and loan industry, Federal Home Loan Bank Board Chairman Richard Pratt has acknowledged that one-third of the nation's 4,700 S&Ls with assets of \$200 billion are "not viable under today's conditions" of high, volatile interest rates.

WASHINGTON — A Treasury Department study asserts that less developed countries have become more receptive to private oil company explorations since recent oil-price increases, diminishing the need for a new World Bank affiliate to encourage Third World oil development.

Backers of an energy affiliate for the World Bank have argued that the private multinational oil companies are not anxious to get involved in many parts of Asia and Africa, unless they are assured there will be significant exportable quantities of oil. Bank sources said this effectively ruled out private exploration for amounts of oil that would be important for local consumption.

The analysis goes on to point out that since actual activity occurs with a planning lag of as much as five years, most of these explorations were blueprinted or underway prior to the first oil price shock of 1973-74, even at one-tenth their present level. Thus, the study suggests that vastly higher prices now, combined with an improved investment climate in many of the countries, will accelerate the exploration process.

United States Alltel Corp. 2nd Qtr. 1981 Revenue: 1,598.0 Profits: 57.0 Per Share: 2.40

Chesbrough-Pond's Inc. 2nd Qtr. 1981 Revenue: 1,240.0 Profits: 64.0 Per Share: 2.43

Continental Group Inc. 2nd Qtr. 1981 Revenue: 1,240.0 Profits: 64.0 Per Share: 2.43

Security Pacific Corp. 2nd Qtr. 1981 Revenue: 50.80 Profits: 1.71 Per Share: 1.54

First Pennsylvania Corp. 2nd Qtr. 1981 Revenue: 2,220.0 Profits: 1.11 Per Share: 0.88

Signal 2nd Qtr. 1981 Revenue: 1,340.0 Profits: 57.30 Per Share: 0.79

Teledyne Inc. 2nd Qtr. 1981 Revenue: 228.5 Profits: 120.7 Per Share: 5.84

TRW Inc. 2nd Qtr. 1981 Revenue: 1,270.0 Profits: 63.90 Per Share: 1.78

Champion International 2nd Qtr. 1981 Revenue: 1,060.0 Profits: 45.90 Per Share: 0.77

Chase Manhattan Corp. 2nd Qtr. 1981 Revenue: 100.4 Profits: 2.83 Per Share: 3.04

First National Boston 2nd Qtr. 1981 Revenue: 1,150.0 Profits: 51.15 Per Share: 1.07

Merrill Lynch & Co. 2nd Qtr. 1981 Revenue: 47.78 Profits: 1.72 Per Share: 39.99

PPG Industries 2nd Qtr. 1981 Revenue: 829.5 Profits: 64.00 Per Share: 1.91

Warner Communications Inc. 2nd Qtr. 1981 Revenue: 674.3 Profits: 42.53 Per Share: 0.64

Texaco 2nd Qtr. 1981 Revenue: 2,720.0 Profits: 118.9 Profits: 105.8 Per Share: 3.44

Wells Fargo 2nd Qtr. 1981 Revenue: 1,270.0 Profits: 63.90 Per Share: 1.78

THE KINGDOM OF DENMARK U.S. \$600,000,000 MEDIUM TERM LOAN CHASE MERCHANT BANKING GROUP DEN DANSKE BANK AF 1871 AKTIESELSKAB R. HENRIQUES JR.

KINGDOM OF SWEDEN U.S. \$800,000,000 MEDIUM TERM PRIME-BASED REVOLVING CREDIT FACILITY CHASE MERCHANT BANKING GROUP

NYSE Nationwide Trading Closing Prices July 15

Table of NYSE Nationwide Trading Closing Prices July 15, 1981. Includes columns for stock symbols, prices, and volume.

Selected Over-the-Counter

Table of Selected Over-the-Counter closing prices for July 15, 1981.

Floating Rate Notes

Table of Floating Rate Notes closing prices for July 15, 1981.

U.S. COMMODITY PRICES

Table of U.S. Commodity Prices including various agricultural and industrial goods.

London Metals Market

Table of London Metals Market prices for July 15, 1981.

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Table of New York Futures prices for July 15, 1981.

International Monetary Market

Table of International Monetary Market exchange rates.

Paris Commodity Prices

Table of Paris Commodity Prices for July 15, 1981.

Cash Prices

Table of Cash Prices for various commodities.

Commodity Index

Table of Commodity Index values for July 15, 1981.

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Advertisement for 'Market Summary' and 'NYSE Most Active' stocks.

Advertisement for 'Judge Rules SEC Violated Hunts' Privacy' and 'Dow Jones Bond Averages'.

AMEX Nationwide Trading Closing Prices July 15

Tables include the nationwide prices up to the closing on Wall Street.

Table of AMEX Nationwide Trading Closing Prices for July 15, listing various stocks and their prices.

Table of International Stock Prices, listing various international stocks and their prices.

Quotations in Canadian funds

Table of Quotations in Canadian funds, listing various Canadian funds and their prices.

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Table of Toronto Stocks, listing various Toronto stocks and their prices.

Montreal Stocks

Table of Montreal Stocks, listing various Montreal stocks and their prices.

Canadian Indexes

Table of Canadian Indexes, listing various Canadian indexes and their values.

European Stock Markets

Table of European Stock Markets, listing various European stock markets and their prices.

Eurocurrency Interest Rates

Table of Eurocurrency Interest Rates, listing various interest rates for different currencies.

European Stock Markets (Closing prices in local currencies)

Table of European Stock Markets (Closing prices in local currencies), listing various European stock markets and their prices.

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June 1981





Art Buchwald

No-Sale Psychology

WASHINGTON — One of the problems with today's economy is that it's very hard to find young people who are good salesmen. Many students coming out of college are more interested in a customer's motivation than they are in closing a sale.

My friend the shop proprietor decided to let the incident pass; but that afternoon another customer came in, and Miss Brampton asked if she could be of help.



Buchwald

The lady said, "I need something really exciting. I'm going to the Kennedy Center, and I want a dress that will knock everyone dead."

"Then why do you want to knock them dead at the Kennedy Center? Why can't you be accepted for yourself instead of what you wear?" You are a very attractive person, and you have an inner beauty you try to disguise.

"I'd like a suit for the fall," the lady said. "What price range?" Miss Brampton asked.

"It doesn't make any difference," the lady replied. "Well, let me ask you this question: Do you want the suit because you need it? Or have you just had a fight with your husband, and are trying to get even by making a very expensive purchase?"

"I beg your pardon?" the lady said. "Perhaps you suspect him of some infidelity, and you think this is the only way you can get back at him."

"I have no idea what you're talking about," the customer said. "Spending money in anger is a very expensive form of hostility. My advice to you is to think it over for a few days. Try to patch up your differences. Buying a new suit won't save your marriage."

"Thank you very much," the customer said frostily and left the store. "She's angry with me now," Miss Brampton told the dress shop owner, "but in a week she'll be grateful I talked her out of it."

Those Roaming Therapsids

By Michael Kernan

WASHINGTON — Who would have thought a therapsid could cause such a fuss?

Not only did it force down our throats the notion that the continents of our earth are a hunch of floating islands, but it caused a three-day conference at the Smithsonian Institution. Now, that's a fuss.

Especially when you consider that the last therapsid lay down and died 200 million years ago, give or take a few weeks.

Three Kinds You want to know what a therapsid is. Well, you'd better find a comfortable chair. There are three main kinds, with innumerable variations appearing as it evolved. It can be any size from a rat to a rhinoceros.

The main thing is that the therapsid seems to be a link between reptiles and mammals. It was going pretty good there for a while, dominating the animal scene for almost 75 million years, getting to feel more and more like a mammal, before it went extinct.

But dinosaurs, as far as we people are concerned, wound up in an evolutionary cul-de-sac. That's why scientists love therapsids. They might tell us something about ourselves.

We take you now to Alfred Wegener, a German meteorologist who in 1912 began to insist that for eons the continents have been drifting. Get a globe and notice how the east coast of South America fits into the west coast of Africa, how the U.S. eastern seaboard could slide right up against the northwest African bulge.

The idea of the earth's surface being a series of shifting rock plates, like armor, was hard to take at first. One had to accept a whole new set of theoretical continents. Yet, in the last decade or so, science has come around almost completely. New techniques for studying the ocean floor were a big help.

Had Museum at 12 You are now ready for Dr. Edwin H. Colbert, a 75-year-old scientist who has been in Missouri where he was 12, who has traveled across the world digging up things, who finds "magic in those skeletons and skulls" which evoke for him "visions of a world long vanished, when Nebraska was a land of lush savannas inhabited by hosts of unfamiliar animals."

For 40 years Colbert worked at the American Museum of Natural History in New York, winding up as a department chairman. He can tell you about the time firemen rushed through the halls with their hoses knocking against the exhibits, and how he watched, breathless, while a rare, horse-sized moropus he had just laboriously assembled teetered and teetered — and decided to remain standing.

Pollywog's Tail But mostly he likes to talk about the hystraxos. What an invention. It's about as big as a sheep, but heavy and lumbering, with the feet of an alligator, the chest of a



Artist's conception of one type of therapsid.

Snail-Eating Contestant

PEOPLE: Gulps 350 in 1 1/2 Minutes

The ritzy restaurant called Dominique's, four blocks from the White House, isn't normally a fast-food joint, but this year for Bastille Day Dominique's threw a party for celebrating the French national holiday passionately and publicly — sponsored a world championship escargot-eating contest. Out of 400 applicants, the restaurateur chose seven men and three women to make spectacles of themselves in record time.

Entertainer Jerry Lee Lewis, recuperating from stomach surgery in a Memphis hospital, has been taken off a respirator and talked with his manager, J.W. Whitten. Whitten said that Lewis, 45, was still being treated seriously, but was able to see family, close friends and business associates for brief periods. Lewis underwent five hours of surgery last week for complications from emergency surgery June 30 to repair a stomach perforation. At the time, he was given a 50-50 chance of survival.

The Senate Judiciary Committee has voted to give honorary U.S. citizenship to Raoul Wallenberg, the Swedish diplomat credited with saving the lives of tens of thousands of Jews during World War II. If both houses of Congress agree with the idea, Wallenberg will be the second person to be so honored. The first was Winston Churchill. Wallenberg, with U.S. cooperation, was assigned to the Swedish Embassy in Budapest in 1944 and helped Jews escape the Nazi extermination camps. On Jan. 17, 1945, he was seized by the Soviet Union. Moscow says Wallenberg is long dead, but as recently as January there were reports that he was still alive in a Soviet prison camp.

Former U.S. President Gerald R. Ford has joined the board of directors of 20th Century-Fox.

With President Reagan and his wife, Nancy, looking on, Mrs. Reagan's stepfather, Dr. Loyal Davis, was named honorary fellow of the Royal College of Surgeons of Ireland. Davis, 86, a retired neurosurgeon who now lives in Phoenix, was not able to travel to Ireland for the ceremony, so college fellows went to Washington and presented the award at the Irish Embassy.

If Humphrey Bogart were still alive, he would be the seventh cousin of Lady Diana Spencer, Prince's Charles' fiancée, according to the Daily Mail in London. The Mail said the link between the lady and the actor begins with a



Edwin H. Colbert linked fossils to continental drift theory.

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